

Exploding The Phone

www.explodingthephone.com

Bibliographic Cover Sheet

db362

Title **FBI File 166-NK-553, Redacted subject, ITAR-Gambling; ITWP; FBW-conspiracy**

Date 1966-04-04

Abstract FBI file 166-NK-553 regarding May 1966 blue box arrests.

Keywords FBI; blue box

Source FBI via FOIA

The following pages may contain copyrighted material. We believe that our use of this material for non-commercial educational and research purposes constitutes "fair use" under Section 107 of U.S. Copyright Law. If you wish to use this material for purposes that go beyond "fair use," you must obtain permission from the copyright owner, if any. While it will make us slightly sad to do so, we will nonetheless comply with requests from copyright owners who want their material removed from our web site.

U.S. Department of Justice

Federal Bureau of Investigation

Washington, D.C. 20535

July 26, 2007

Subject: FILE NUMBER NK 166-553

FOIPA No. 1074714

The enclosed documents were reviewed under the Freedom of Information/Privacy Acts (FOIPA), Title 5, United States Code, Section 552/552a. Deletions have been made to protect information which is exempt from disclosure, with the appropriate exemptions noted on the page next to the excision. In addition, a deleted page information sheet was inserted in the file to indicate where pages were withheld entirely. The exemptions used to withhold information are marked below and explained on the enclosed Form OPCA-16a:

Section 552		Section 552a
☐(b)(1)	☐(b)(7)(A)	☐(d)(5)
☒(b)(2)	☐(b)(7)(B)	☐(j)(2)
☒(b)(3) Rule 6(e), Federal Rules	☒(b)(7)(C)	☐(k)(1)
of Criminal Procedure	☒(b)(7)(D)	☐(k)(2)
	☒(b)(7)(E)	☐(k)(3)
	☐(b)(7)(F)	☐(k)(4)
☐(b)(4)	☐(b)(8)	☐(k)(5)
☐(b)(5)	☐(b)(9)	☐(k)(6)
☒(b)(6)		☐(k)(7)

251 pages were reviewed and **233 pages** are being released.

☐ Document(s) were located which originated with, or contained information concerning other Government agency(ies) [OGA]. This information has been:

- ☐ referred to the OGA for review and direct response to you.
- ☐ referred to the OGA for consultation. The FBI will correspond with you regarding this information when the consultation is finished.

☒ You have the right to appeal any denials in this release. Appeals should be directed in writing to the Director, Office of Information and Privacy, U.S. Department of Justice,1425 New York Ave., NW, Suite 11050, Washington, D.C. 20530-0001 within sixty days from the date of this letter. The envelope and the letter should be clearly marked "Freedom of Information Appeal" or "Information Appeal." Please cite the FOIPA number assigned to your request so that it may be easily identified.

☐ The enclosed material is from the main investigative file(s) in which the subject(s) of your request was the focus of the investigation. Our search located additional references, in files relating to other individuals, or matters, which may or may not be about your subject(s). Our experience has shown, when ident, references usually contain information similar to the information processed in the main file(s). Because of our significant backlog, we have given priority to processing only the main investigative file(s). If you want the references, you must submit a separate request for them in writing, and they will be reviewed at a later date, as time and resources permit.

☒ See additional information which follows.

Sincerely yours,

David M. Hardy
Section Chief
Record/Information
Dissemination Section
Records Management Division

Enclosures

To minimize costs to both you and the FBI, extra file copies of the same document were not processed.

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

Serial Description ~ COVER SHEET

Total Deleted Page(s) ~ 7
Page 9 ~ b6, b7C
Page 11 ~ b6, b7C
Page 15 ~ b6, b7C
Page 45 ~ b6, b7C
Page 129 ~ Duplicate
Page 130 ~ Duplicate
Page 131 ~ Duplicate

XXXXXXXXXXXXXXXXXXXXXXX
X Deleted Page(s) X
X No Duplication Fee X
X for this Page X
XXXXXXXXXXXXXXXXXXXXXXX

-245a.2
ev.12-23-93)

NEWARK

"FIELD FILE"

DO NOT FILE AT FBI HEADQUARTERS!

FD - 245 (REV. 4-13-60)

U. S. Department of Justice

(MATERIAL MUST NOT BE REMOVED FROM OR ADDED TO THIS FILE)

4/4/66 - 6/8/66

CLASSIFICATION NO. 166-553

FEDERAL BUREAU

of

[redacted]

INVESTIGATION

Bureau File Number

DO NOT DESTROY

FOIPA # 1074714

DO NOT DESTROY - PENDING LITIGATION 8/15/77

Volume Number 1

Serials 1-41

See Vol. II

See also Nos.

"X, DO NOT DESTROY, HISTORICAL VALUE NATIONAL ARCHIVES"

FD-340a (Rev. 6-12-63)

(Title) [redacted]

(File No.) 166-553-1A

1. Arrest log re [redacted] rec'd 5/25/66 by SA [redacted] Ex 6/10/66, jlh.

2 PHOTO- REC'D 5/23/66 by SA [redacted]

3. Photo of [redacted] REC'd 5/25/66 by SA [redacted]
EX. 2/2/67 DCP

4. Copy - Court Decision 9th Circuit re [redacted]
dec 2 11/3/67, from L.O., San. (Let. to Bu. 11/1/67) see ser. 73
Not To Be Rel'd + No Recpt. Bf. 11/22/67 enj

b6
b7C

Disposition:

166-553-1A

SEARCHED ..... INDEXED
SERIALIZED ..... FILED
JUN 10 1966
FBI — NEWARK

FD-340 (REV. 8-17-62)

File No. 166-553-1A-1

Date Received 5/25/66

From [redacted]
(NAME OF CONTRIBUTOR)

[redacted]
(ADDRESS OF CONTRIBUTOR)

[redacted]
(CITY AND STATE)

By [redacted]

To Be Returned Yes ☐
No ☒

b6
b7C

Description:

Arrest log re:

[redacted]

PLEASE DO NOT

166-5553-1A.1

Log concerning the arrest of [redacted]

on May 25, 1966.

10:00 AM Arrived at [redacted] b6 b7C

10:02 Woman identifying herself as [redacted] answered door and in response to query stated her husband was at home. She was advised that there was a warrant outstanding for [redacted]

10:03 Agents followed [redacted] through to basement living quarters where [redacted] was at a table eating, along with two children. b6 b7C

10:04 [redacted] was advised by SA [redacted] that he was under arrest. Brief search of immediate area revealed no gambling paraphernalia or other evidentiary material.

10:06 [redacted] led Agents upstairs away from family where he was frisked and advised of the charges against him and his right to remain silent and to consult an attorney, by SA [redacted] b6 b7C

[redacted] Permission was requested to search premises [redacted] denied permission

[redacted]

on basis that he had not consulted with his attorney.

10:07 [redacted] agreed to permit Agents to inspect premises to demonstrate that no one other than his family was present. [redacted] led Agents upstairs and through bedrooms. b6 b7C

10:10 Agents and [redacted] left premises.

10:56 Arrived at Newark Office.

10:58 [redacted] attempted to call attorney and left message with attorney's secretary.

11:00 [redacted] was photographed b6 b7C

11:04 [redacted] was fingerprinted.

11:15 Interview to obtain background information commenced

11:35 [redacted] again attempted to contact attorney.

11:36 Agents and [redacted] left for U.S. Commissioner's Office, Jersey City.

12:00 Arrived at Office of Commissioner John Corridon, 921 Bergen Ave. Jersey City. Awaited arrival of [redacted]. b6 b7C

12:50 [redacted] arraigned.

[redacted]

Special Agent, FBI

[redacted]

b6
b7C

166-353-19-2



166-JJ3-1A-2

DOCUMENT(S) CANNOT
BE SCANNED

DESCRIPTION:

PHOTO NEGATIVES

FD-340 (4-7-61)

9

File No. 166-553-1A-3

Date Received recd 5/25/66

From _____
(Name of Contributor)

_____
(Address of Contributor)

By SA [redacted]

To Be Returned Yes ☐
No ☒

b6
b7C

Description:

Photo of [redacted]

166-553-14-3

FD-340 (REV. 6-24-68)

File No. 166-553-1A-4

Date Received 11-3-67

From SAN FRANCISCO
(NAME OF CONTRIBUTOR)

LETTER TO BUREAU 11/1/67
(ADDRESS OF CONTRIBUTOR)

(CITY AND STATE)

By
(NAME OF SPECIAL AGENT)

To Be Returned ☐ Yes ☒ No

Receipt given ☐ Yes ☒ No

Description:

COPY - COURT DECISION

9TH CIRCUIT RE

[redacted]

b6
b7C

SEE 166-553-73

PLEASE DO NOT REMOVE
THIS SLIP FROM EXHIBIT

166-553-1A-4

11 copies

UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

b6
b7C

[redacted] *Appellant,*

vs.

UNITED STATES OF AMERICA, *Appellee.*

No. 21,356

[October 20, 1967]

On Appeal from the United States District Court for the Central District of California

[Formerly the United States District Court for the Southern District of California, Central Division]

Before: JERTBERG, BROWNING and ELY, Circuit Judges.

JERTBERG, Circuit Judge:

Following trial to the court, appellant was convicted of violating 18 U.S.C. § 1084 [interstate transmission of wagering information], and was sentenced to one year's imprisonment, execution of sentence suspended, fined $2,000 and placed on probation for one year.

On this appeal the facts are set forth in a stipulated statement of facts approved and certified to by the district judge pursuant to and in conformity with the provisions of Rule 76, Federal Rules of Civil Procedure.

The agreed statement of facts is as follows:

For some time prior to November, 1966, a device had been in use in the Los Angeles area which emitted a signal which was designed to enable the user to circumvent the telephone company's automatic record-keeping equipment, thereby avoiding long distance charges. The method normally followed was to telephone by

b6
b7C

direct dialing an information operator in another city and to cause the device to emit an audible signal which gave control of the long distance trunk line to the user. The Pacific Telephone Company was investigating this situation by keeping a record of the number and duration of direct dialing telephone calls to information operators in various parts of the country. In November, 1965, it was noted that a large number of direct dialing telephone calls were made from the telephone number subscribed to by appellant to information operators in various parts of the country. It was further noted that these calls were of an unusual duration, some as long as ten minutes. As a result of the foregoing information, commencing approximately December 20, 1965, the Pacific Telephone Company connected automatic monitoring equipment to appellant's telephone line which recorded all of appellant's outgoing and incoming telephone calls, except for such periods as the recording tape may have been expended. The equipment was maintained until approximately March 24, 1966, without the knowledge or consent of appellant or any of the persons with whom he spoke on the telephone.

On April 11, 1966, an agent of the telephone company advised the United States Attorney's office of the foregoing facts and stated that certain of the recorded conversations "sounded like gambling". Subsequently, tapes of the recorded conversations were produced pursuant to a Grand Jury subpoena duces tecum. The tapes revealed that gambling information was being conveyed over interstate telephone lines by the appellant for three consecutive days commencing December 20, 1965. No other gambling activity was noted up to March 24, 1966, at which time the recording equipment was removed from appellant's telephone lines.

An indictment was filed against the appellant on June 2, 1966, charging him with a violation of 18 U.S.C. § 1084. On July 11, 1966, appellant filed a motion to suppress all of the evidence hereinbefore referred to on the ground that the same had been illegally obtained. A hearing was had on the motion and on July 21, 1966, the said motion was denied by the district court. On July 25, 1966, trial commenced before the district court sitting without a jury. During the trial appellant made timely objections to the introduction of all evidence obtained through the use of the monitoring equipment. On August 15, 1966, the Court entered judgment

against appellant finding him guilty of the charges set forth in the indictment. It is conceded that all of the evidence at the trial arose from the use and admission into evidence of the contents of the taped telephone conversations for the three day period commencing December 20, 1965.

On this appeal, appellant specifies that the district court erred in denying appellant's motion to suppress evidence obtained through wire-tapping, in admitting the evidence thus obtained, and in finding the appellant guilty of the offense charged.

The parties to this appeal are in agreement that under the facts before us, the judgment appealed from must be affirmed unless the use of such evidence is prohibited by the provisions of 47 U.S.C. § 605;[1] otherwise, the judgment must be reversed. Willful

---

[1] 47 U.S.C. § 605 provides:

"§605. Unauthorized publication or use of communications

"No person receiving or assisting in receiving, or transmitting, or assisting in transmitting, any interstate or foreign communication by wire or radio shall divulge or publish the existence, contents, substance, purport, effect, or meaning thereof, except through authorized channels of transmission or reception, to any person other than the addressee, his agent, or attorney, or to a person employed or authorized to forward such communication to its destination, or to proper accounting or distributing officers of the various communicating centers over which the communication may be passed, or to the master of a ship under whom he is serving, or in response to a subpoena issued by a court of competent jurisdiction, or on demand of other lawful authority; and no person not being authorized by the sender shall intercept any communication and divulge or publish the existence, contents, substance, purport, effect, or meaning of such intercepted communication to any person; and no person not being entitled thereto shall receive or assist in receiving any interstate or foreign communication by wire or radio and use the same or any information therein contained for his own benefit or for the benefit of another not entitled thereto; and no person having received such intercepted communication or having become acquainted with the contents, substance, purport, effect, or meaning of the same or any part thereof, knowing that such information was so obtained, shall divulge or publish the existence, contents, substance, purport, effect, or meaning of the same or any part thereof, or use the same or any information therein contained for his own benefit or for the benefit of another not entitled thereto: *Provided,* That this section shall not apply to the receiving, divulging, publishing, or utilizing the contents of any radio communication broadcast, or transmitted by amateurs or others for the use of the general public, or relating to ships in distress."

b6
b7C

and knowing violation of Sec. 605 is penalized by fine and imprisonment.[2]

The problem presented requires us to analyze the pertinent provisions of Section 605. Section 605 addresses itself to two distinct classes of persons.

The first part of the section is directed to those employees of systems of communication who have to do with the sending, receiving, or forwarding of interstate or foreign communications by wire or radio, and provides that no such person shall divulge or publish the existence, contents, substance, purport, or effect of any such communication to anyone other than the addressee or his authorized representative, or to authorized fellow employees, or in response to a subpoena issued by a court of competent jurisdiction, or on demand of other lawful authority.

Obviously, this part of the section was designed and intended to protect the integrity of communications systems and it has so been judicially declared.[3]

There is nothing in the stipulation or the record to suggest or indicate that the employee or agent of the telephone company who connected automatic monitoring equipment to appellant's telephone line which recorded all of appellant's outgoing and incoming telephone calls from December 20, 1965 to March 24, 1966, and

---

[2]47 U.S.C. § 501 provides:

"§ 501. General penalty

"Any person who willfully and knowingly does or causes or suffers to be done any act, matter, or thing, in this chapter prohibited or declared to be unlawful, or who willfully and knowingly omits or fails to do any act, matter, or thing in this chapter required to be done, or willfully and knowingly causes or suffers such omission or failure, shall, upon conviction thereof, be punished for such offense, for which no penalty (other than a forfeiture) is provided in this chapter, by a fine of not more than $10,000 or by imprisonment for a term not exceeding one year, or both; except that any person having been once convicted of an offense punishable under this section, who is subsequently convicted of violating any provision of this chapter punishable under this section, shall be punished by a fine of not more than $10,000 or by imprisonment for a term not exceeding two years, or both."

[3]See *Nardone v. United States,* 302 U.S. 379 (1937); *Benanti v. United States,* 355 U.S. 96 (1957); *Rathbun v. United States,* 355 U.S. 107 (1957).

who advised the government of the facts set forth in the stipulation and who responded to the Grand Jury subpoena, had anything to do with receiving, or assisting in receiving, or transmitting, or assisting in transmitting any interstate or foreign communication on behalf of his employer. In fact, the record discloses that the employee or agent was a special agent of the telephone company in charge "of investigation of the manufacture, use and sale in the Los Angeles area of an instrument and device known as a multi-frequency signal generator (hereinafter referred to as 'the device'), which is being manufactured, sold and used for the purpose of completion of telephone calls, especially long distance telephone calls, and which enables the Telephone Company's billing equipment to be by-passed, and therefore, to avoid payment for the service for said calls charged by the Telephone Company to its customers for using the Telephone Company's facilities." Hence, he was not, under the express language of the first part of the section, within the class of employees of the telephone company who were authorized to divulge or publish the existence, contents, etc., of a communication sent or received of the telephone company's system in response to a subpoena issued by a court of competent jurisdiction, or on demand of other lawful authority.[4]

The second part of the section is directed to all persons, not of the class of persons included in the first part of the section, who are not authorized by the sender of the communication to intercept and divulge or publish such communication. In this respect the second part of the section states:

> "* * *; and no person not being authorized by the sender shall intercept any communication and divulge or publish the

---

[4]As we have noted, the first clause of § 605 authorizes disclosure only "in response to a subpoena issued by a court of competent jurisdiction, or on demand of other lawful authority," but in this case information regarding the existence and contents of the intercepted conversations was initially volunteered to the United States Attorney by an agent of the telephone company. We do not reach the question of whether the initial voluntary disclosure was prohibited by the first clause of § 605, and, if so, whether disclosure before the grand jury and trial in response to the government subpoena was barred as the fruit of the initial voluntary disclosure. See *Nardone v. United States,* 308 U.S. 338 (1939).

b6
b7C

existence, contents, substance, purport, effect, or meaning of such intercepted communication to any person; * * *."

It is patent that the second part of the section was designed and intended not only for the purpose of protecting the integrity of communications systems, but also for the protection of privacy to those who use the facilities in a proper and normal manner.

It is to be noted that the second part of the section, unlike the first part of the section, does not permit the divulgence or publication of the communication in response to a subpoena issued by a court of competent jurisdiction, or on demand of other lawful authority. This distinction between the two parts of the section was recognized in *Nardone v. United States*, 302 U.S. 379, 381 (1937), where the court stated:

"Such an application of the section is supported by comparison of the clause concerning intercepted messages with that relating to those known to employes of the carrier. The former may not be divulged to any person, the latter may be divulged in answer to a lawful subpoena."

Under the literal language of the second part of the section, the agent or employee of the telephone company who intercepted the communications and divulged the existence, purport, and tenor thereof to the United States Attorney was forbidden to do so, since, under the stipulation, the interception was "without the knowledge or consent of appellant or any of the persons with whom he spoke on the telephone."

In the instant case, preliminary investigation by the telephone company revealed that a large number of direct dialing calls were made from the telephone number subscribed to by appellant to information operators in various parts of the country, many of which calls were of unusually long duration. As a result of the preliminary investigation, the company connected automatic monitoring equipment to appellant's telephone line. This occurred on December 20, 1965. Within three days, or by December 23, it was clearly established that appellant had an attachment to his telephone instrument which enabled him to make long distance calls without a record of such calls being made by the telephone com-

pany; that he was illegally transmitting messages over long distance circuits of the telephone company; that he was defrauding the company of the charges to which the company was entitled, and depriving the government of the tax imposed on long distance calls, and was a trespasser on the communications system.

To apply the literal language of the second part of the section to the foregoing circumstances would, in our view, reach an absurd result, contrary to common sense and reasonable business practices, and would be disruptive of the integrity of communications systems. It would mean that communications systems are powerless to take reasonable measures to protect themselves and their properties against the improper and illegal use of their facilities.

We do not believe that in the enactment of Section 605, or in any of the provisions of Title 47, Congress intended to deprive communications systems of their fundamental right to take reasonable measures to protect themselves and their properties against the illegal acts of a trespasser.

In *Rathbun v. United States,* 355 U.S. 107 (1957), at page 109, the Court stated that Section 605 "must be interpreted in the light of reason and common understanding to reach the results intended by the legislature."

When a subscriber of a telephone system uses the system's facilities in a manner which reasonably justifies the telephone company's belief that he is violating his subscription rights, then he must be deemed to have consented to the company's monitoring of his calls to an extent reasonably necessary for the company's investigation. See *Brandon v. United States,* ..... F.2d ..... (10th Cir. 1967) [decided August 29, 1967], and cases therein cited.

The record discloses that the telephone company continued from December 23, 1965, until March 24, 1966, or for a period of three months, to monitor all calls made and received by appellant, and to tape record the conversations of all such calls. In our view the monitoring and tape recording for such length of time, after ample evidence had been secured of the illegal use by appellant of the company's facilities, was unreasonable and unnecessary. To sanction such practices on the part of the telephone company would tend to emasculate the protection of privacy Section 605 was intended to protect.

FBI LOS ANG.

8:17 PM PST D E F E R R E D 4/4/66 VLB

TO: DIRECTOR, NEWARK, ATLANTA, MEMPHIS, NEW ORLEANS

FROM: LOS ANGELES (166-462) /2 PAGES/

[redacted] b6 b7C

[redacted] UNKNOWN SUBJECTS. ITAR - GAMBLING; ITWP; FBW; CONSPIRACY. OO: LOS ANGELES.

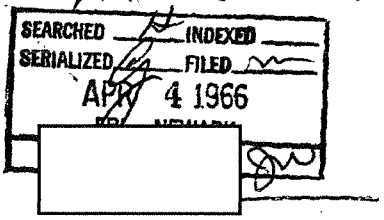
SUBJECTS ALLEGEDLY INVOLVED USING ELECTRONIC DEVICE REFERRED TO AS "BLACK BOX" IN MAKING LONG DISTANCE TELEPHONE CALLS FOR GAMBLING PURPOSES. CONFIDENTIAL INFORMATION RECEIVED TODAY ALLEGES [redacted] [redacted] KNOWN TO BE IN POSSESSION OF "BLACK BOX".

[redacted] b6 b7C b7D

END PAGE ONE

No Immediate Action 4/4/66 VLB

166-553-1



b6 b7C

[redacted] b6 b7C b7D

[redacted] RECEIVING OFFICES

DETERMINE THROUGH LOCAL TELEPHONE FACILITIES IF ABOVE SUBSCRIBERS POSSIBLY UTILIZING ELECTRONIC DEVICES. SUTEL IF SUBSCRIBERS INVOLVED IN GAMBLING ACTIVITIES. E. A. NOLAN, BATON ROUGE APPARENTLY IDENTICAL WITH EUGENE NOLAN KNOWN TO LOS ANGELES.

END

WA---JMS

FBI WASH DC

NK---TJHVXFBI NEWARK

AT---ARK

FBI ATLANTA

ME---CAF

FBI MEMPHIS

NO---RJS

FBI NEW ORLS

TU CLR

FBI LOS ANG.

404PM PST URGENT 4-5-66 SMZ

TO DIRECTOR, ATLANTA, MEMPHIS, NEWARK AND NEW ORLEANS

FROM LOS ANGELES (166-462)

[redacted] b6 b7C

[redacted]

UNSUBS, ITAR - GAMBLING; ITWP; FBW - CONSPIRACY. OO: LA.

REMYTEL FOUR FOUR LAST.

SUBJECTS BELIEVED RESPONSIBLE FOR MANUFACTURING AND DISTRIBUTING ELECTRONIC DEVICES THROUGHOUT THE UNITED STATES COMMONLY REFERRED TO BY TELEPHONE COMPANIES AS "BLUE BOXES". FOR INFORMATION BUREAU, ATLANTA BY TELETYPE DATED FOUR FIVE INSTANT ADVISED THAT [redacted] IN TELEPHONIC CONTACT THEIR AREA WITH [redacted] CURRENTLY UNDER INDICTMENT ON FEDERAL TAX STAMP VIOLATION IN GEORGIA AND ARRESTED THREE EIGHTEEN LAST AT ST. AUGUSTINE, FLORIDA ON GAMBLING CHARGE BY LOCAL AUTHORITIES. NEW ORLEANS BY TELETYPE DATED FOUR FIVE LAST ADVISED THAT [redacted] IN CONTACT WITH NATIONALLY KNOWN GAMBLER b6 b7C

END PAGE ONE

166-553-2

SEARCHED [redacted] INDEXED [redacted]
SERIALIZED [redacted] FILED [redacted]
1966
[redacted] b6 b7C

EUGENE ANTHONY NOLAN AND CURRENT INVESTIGATION BEING CONDUCTED BY SOUTHERN BELL TELEPHONE, WHO BELIEVES NOLAN HAD AND MAY CURRENTLY HAVE AN ELECTRONIC DEVICE ON HIS TELEPHONE. FOR INFORMATION NEW ORLEANS AND ATLANTA, LOS ANGELES HAS FORWARDED TO THE IDENTIFICATION DIVISION, LATENT FINGERPRINT SECTION, FINGERPRINTS OF [redacted] WHO IS BELIEVED TO HAVE MANUFACTURED AT LEAST TWENTY BLUE BOXES. LEADS HAVE BEEN REQUESTED OF OTHER OFFICES TO OBTAIN THESE DEVICES AND FORWARD THEM TO THE IDENTIFICATION DIVISION FOR COMPARISON. WITH ANY LATENT PRINTS ON COMPONENTS OF DEVICES. b6 b7C

NEW ORLEANS DETERMINE IF PROBABLE CAUSE EXISTS FROM INVESTIGATION ALREADY CONDUCTED BY SOUTHERN BELL TO CONDUCT LOGICAL FEDERAL SEARCH IF INSTRUMENT BELIEVED CURRENTLY IN USE AND THEREAFTER FORWARD TO IDENTIFICATION DIVISION AS IT IS BELIEVED BY USA, LOS ANGELES THAT UTILIZATION OF THIS DEVICE IS IN VIOLATION OF FRAUD BY WIRE AND TRANSPORTATION OF IT IN VIOLATION OF GAMBLING STATUTES IF USED BY GAMBLERS.

INVESTIGATION CONTINUING LOS ANGELES.

END

WA... ALT

FBI WASH DC

AT...THW

FBI ATLANTA

ME...SBJ

FBI MEMPHIS

NK..JH

FBI NEWARK

NO...RJS

FBI NEW ORLS

TU CLR

4/5/66

PLAINTEXT

TELETYPE

TO: SAC, LOS ANGELES (166-462)

FROM: SAC, ATLANTA (166-182)

V / 166-553-X

[redacted] ETAL; ITAR - GAMBLING; ITWP; FDW; CONSPIRACY, OO LOS ANGELES. b6 b7C

RE LOS ANGELES TEL TO DIRECTOR, ETC. APRIL FOUR LAST.

ATLANTA, GA. TELEPHONE FOUR ZERO FOUR DASH FOUR EIGHT THREE DASH FOUR SEVEN ZERO SIX IS LISTED TO BOWEN ENTERPRISES, CONYERS, GA., AND IS LOCATED IN [redacted] IS SHOWN ON TELEPHONE COMPANY RECORDS AS BEING CONNECTED WITH BOWEN ENTERPRISES AND RESIDES IN [redacted] b6 b7C

[redacted] IS LONG TIME PROMINENT GAMBLING FIGURE IN THE ATLANTA DIVISION AND WAS INDICTED BY FGJ, ATLANTA, JUNE THREE SIXTYFIVE, ON TWENTYFIVE COUNTS, CHARGING HIM WITH VIOLATION FEDERAL WAGERING TAX STAMP LAWS. TRIAL IN THIS CONNECTION COMMENCING THIS DATE USDC, ATLANTA.

END PAGE ONE

1 - Newark (AM)
1 - Memphis (AM)
1 - New Orleans (AM)
2 - Atlanta (1 - 166-182)
(1 - 165-21)
JPG:hld
(5)

166-553-3
SEARCHED [redacted] INDEXED
SERIALIZED X FILED
MAR 7 1966
RK
[redacted]

b6 b7C

PAGE TWO

[redacted] WAS ARRESTED ST. AUGUSTINE, FLA., MARCH EIGHTEEN SIXTYSIX BY STATES ATTORNEYS OFFICE INVESTIGATORS AND HE IS CHARGED WITH AIDING AND ABETTING GAMBLING PLACE AND WITH ONE COUNT OF GAMBLING. HE WAS RELEASED ON BOND OF THREE THOUSAND DOLLARS AND LOCAL PROSECUTION AGAINST [redacted] PENDING IN ST. AUGUSTINE. b6 b7C

[redacted] IS HOLDER OF CURRENT FWTS NUMBER [redacted] ISSUED ATLANTA, SEPT. ELEVEN SIXTYFIVE. b6 b7C

DETAILED INFORMATION RE [redacted] BEING FURNISHED BY AM.

AM COPIES TO NEWARK, MEMPHIS, NEW ORLEANS.

END

4/8/66

AIRTEL

TO: SAC, LOS ANGELES (166-462)

FROM: SAC, NEWARK (166-553) (RUC)

SUBJECT: [redacted]
ET AL;
UNSUBS
ITAR - GAMBLING
ITWP;
FBW - CONSPIRACY
(OO: LA)

b6
b7C

Reurtels 4/4/66 and 4/5/66.

N. J. telephone numbers [redacted] and [redacted] were connected on 12/3/65, in the name of [redacted] The first of these numbers was included in a list of those called with the use of a toll defeating device from Miami telephone number [redacted] during the period 11/24/65 to 12/21/65. In addition, both of the N. J. numbers appeared on a list seized from KENNETH HERBERT HANNA in Miami on 1/8/66.

b6
b7C

Newark executed a search warrant in connection with the HANNA case at [redacted] a location believed to have been occupied by [redacted] (LNU) in regular contact with HANNA. No one was found at this location, however, and Miami was unable to provide probable cause to secure a search warrant for the premises at [redacted] Therefore an interview was attempted.

It is believed that the following material, excerpted from the NKrep of SA [redacted] dated 3/24/66, captioned "KENNETH HERBERT HANNA,AKA. ITAR; ITWI; FBW" will permit the best analysis of subject's association with the N. J. subscriber.

b6
b7C

2 - Los Angeles
1 - Newark
JPW/tms (3)

Natural to LA: Rec copies pp. 20, 21, 22, 23, 28, 29, 30, 31.

RUC

166-553-4

Searched
Serialized
Indexed
Filed

FD-36 (Rev. 5-22-64)

FBI

Date: 4/7/66

Transmit the following in PLAIN
(Type in plaintext or code)

Via TELETYPE URGENT
(Priority)

TO: DIRECTOR AND NEW YORK AND PHILADELPHIA

FROM: LOS ANGELES (166-462)

[redacted] b6 b7C

UNSUBS. ITAR-GAMBLING; ITWP; FBW - CONSPIRACY. OO: LA

CURRENT INVESTIGATION AT LOS ANGELES REFLECTS THAT [redacted] PRODUCED "BLUE BOXES" DISTRIBUTED LOCALLY AND NATIONALLY BY [redacted] AND [redacted] BELIEVED TO HAVE SOLD "BOXES" TO GAMBLERS ON EAST COAST WHO WERE DESIGNATED BY NATIONALLY KNOWN GAMBLER [redacted] b6 b7C [redacted] USING "BLUE BOX" TELEPHONED GAMBLERS EUGENE NOLAN, BATON ROUGE, LOUISIANA, [redacted] [redacted] [redacted] (ALL ABOVE ARE BELIEVED TO HAVE

LA 166-462

1 - Atlanta (AM)
1 - Boston (AM)
1 - Butte (AM)
1 - Chicago (AM)
1 - Detroit (AM)
1 - Memphis (AM)
1 - Miami (AM)
1 - Newark (AM)
1 - New Orleans (AM)
1 - Oklahoma City (AM)
1 - Salt Lake City (AM)

JRB/sef
(12)

166-1553-5

SEARCHED INDEXED
SERIALIZED FILED
APR 11 1966

[redacted] b6 b7C

Approved: Special Agent in Charge

Sent

RECEIVED "BLUE BOXES"FROM [redacted] ADDITIONALLY, [redacted] IS BELIEVED TO HAVE SENT "BLUE BOXES" TO GAMBLER KENNETH HANNA, MIAMI, FLORIDA. MAGNETIC TAPES BEING RUN ON [redacted] CALLS WILL POSSIBLY REFLECT ADDITIONAL SUSPECTS WHO RECEIVED THIS DEVICE.

b6
b7C

ADDITIONALLY, [redacted] SOLD "BLUE BOX" TO [redacted] AND [redacted]

INVESTIGATION CONDUCTED THIS DATE REFLECTS THAT THIRTY EIGHT INDIVIDUALS HAVE OR ARE USING THIS DEVICE IN THE LOS ANGELES AREA.

ALL OFFICES COVERING ABOVE SUBJECTS HAVE BEEN REQUESTED TO CONTACT LOGICAL TELEPHONE COMPANIES TO DETERMINE IF A "BLUE BOX" IS BEING USED THEIR AREA FOR INTERSTATE CALLS. NEW ORLEANS BY TELETYPE FOUR SIX LAST REPORTED THAT PRIOR TO INFORMATION REGARDING "BLUE BOX"INVESTIGATION CONDUCTED BY TELEPHONE COMPANY IS DISSEMINATED CLEARANCE WOULD HAVE TO BE OBTAINED FROM GENERAL MANAGER OF SECURITY, SOUTHERN BELL, ATLANTA, GEORGIA WHO COORDINATES ACTIVITIES THROUGHOUT NINE SOUTHERN BELL STATES.

BECAUSE THESE DEVICES ARE BEING MANUFACTURED IN LOS ANGELES AND DISTRIBUTED FROM THIS AREA, IT IS BELIEVED HIGHLY DESIRABLE THAT ALL RECIPIENTS OF BOXES BE IDENTIFIED

SO THAT PROOF CAN BE OBTAINED THAT THEY ARE USING THIS ILLEGAL DEVICE. TELEPHONE COMPANIES HAVE AND CAN DO THIS BY USING ELECTRONIC EQUIPMENT. IT IS ALSO BELIEVED THAT FEDERAL PROSECUTION FOR VIOLATION OF GAMBLING STATUTES AND FRAUD BY WIRE CAN BE OBTAINED BY ENJOINING THE MANUFACTURERS, USERS AND RECIPIENTS OF THESE DEVICES IN AN OVERALL CONSPIRACY CASE.

INFORMATION RECEIVED LOS ANGELES THAT TELEPHONE COMPANIES NATIONALLY ARE CONCERNED OVER THE USE OF THESE INSTRUMENTS IN ORDER TO DETERMINE A NATIONAL POLICY FOR DISSEMINATION, A T & T PLANS TO CONDUCT A NATIONAL TELEPHONE CONFERENCE OF ALL SECURITY HEADS ON THE AM OF FOUR ELEVEN NEXT. LOS ANGELES HAS DEVELOPED INFORMATION THAT LOS ANGELES SUBJECTS ARE ATTEMPTING TO MASS PRODUCE THESE "BOXES". BUREAU WILL BE KEPT ADVISED OF ALL EFFORTS TO LOCATE AND IDENTIFY THIS MANUFACTURER.

UACB, NEW YORK IS REQUESTED TO ON FOUR EIGHT NEXT CONTACT [redacted] A T & T, NEW YORK CITY, AND DISCUSS WITH HIM BUREAU INTEREST IN THIS MATTER, ASCERTAIN THE OVERALL POLICY FOR DISSEMINATION, EMPHASIZE THE NECESSITY FOR TELEPHONE COMPANY COOPERATION SO THAT ALL

b6
b7C

RECIPIENTS AND USERS OF "BLUE BOXES" CAN BE IDENTIFIED AND SO THAT THE FULL LEGAL FACILITIES OF TELEPHONE COMPANIES NATIONALLY WILL BE MADE AVAILABLE TO INSURE SUCCESSFUL PROSECUTION.

INVESTIGATION CONTINUING LOS ANGELES.

AM COPIES ATLANTA, BOSTON, BUTTE, CHICAGO, DETROIT, MEMPHIS, MIAMI, NEWARK, NEW ORLEANS, OKLAHOMA CITY, SALT LAKE CITY.

4/6/66

TELETYPE URGENT

166-53-3-6

TO: DIRECTOR, ATLANTA, AND LOS ANGELES

FROM: NEW ORLEANS (166-57)

[redacted] UNKNOWN SUBJECTS. ITAR - GAMBLING; ITWP; FBW; CONSPIRACY. b6 b7C

OO: LOS ANGELES.

RE LOS ANGELES TELETYPE DATED APRIL FOUR, LAST.

[redacted] SECURITY DIVISION, SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY, NEW ORLEANS, ADVISED PROBABLE CAUSE CANNOT BE DETERMINED AT THIS TIME. HE ESTIMATES IT WILL BE THE LATTER PART OF APRIL OR THE EARLY PART OF MAY BEFORE DETERMINATION CAN BE MADE, IN VIEW OF THE MULTITUDE OF PHONES AVAILABLE TO EUGENE ANTHONY NOLAN AT BATON ROUGE AND NEW ORLEANS.

[redacted] FURTHER ADVISED THAT NO FURTHER DETAILS ARE AVAILABLE RE THE TELEPHONE COMPANY'S METHOD OF INVESTIGATION. b6 b7C

[redacted] ADVISED THAT THE GENERAL MANAGER OF THE SECURITY DIVISION OF THE SOUTHERN BELL TELEPHONE COMPANY, ATLANTA, GEORGIA, WHO COORDINATES ALL SECURITY ACTIVITIES

1-Newark(Airmail)
1-Memphis(Airmail)
1-New Orleans
RLK:cac
(3)

SEARCHED INDEXED
366
[redacted] b6 b7C

THROUGHOUT THE NINE SOUTHERN BELL STATES MUST BE CONSULTED BEFORE ADDITIONAL INFORMATION IS AVAILABLE. [redacted] SUGGESTS THAT THIS CASE BE HANDLED SIMILAR TO THE PROCEDURE SET UP IN THE INVESTIGATION OF THE TAR CASE IN PHILADELPHIA, WHEREIN THE TELEPHONE COMPANY, THE DEPARTMENT OF JUSTICE, AND THE FBI COORDINATED THE INFORMATION AVAILABLE RE A BLACK BOX OPERATION

b6
b7C

LIAISON IS BEING MAINTAINED WITH THE SECURITY DEPARTMENT OF SOUTHERN BELL TELEPHONE COMPANY.

AM COPIES BEING SENT NEWARK AND MEMPHIS.

END.

PLAINTEXT

AIRTEL

MAR 13 1966

TO: DIRECTOR, FBI

FROM: SAC, NEW YORK (166-1192)

SUBJECT: [redacted] 166-553* b6 b7C
ET AL
ITAR - GAMBLING; ITWP;
FBW - CONSPIRACY
OO: LA

As requested in Los Angeles teletype, 4/7/66, the discussion was held this date with [redacted] American Telephone and Telegraph Company, 195 Broadway, NYC, concerning company policy on investigations and dissemination of information involving the use of blue and black boxes. [redacted] is the current [redacted] of all investigations conducted by subsidiary companies of the telephone system. He advised that their present policy is for subsidiary companies to b6 b7C

3 - Bureau
1 - Los Angeles (166-462)
1 - Miami (AIRMAIL)
1 - Philadelphia (AIRMAIL)
1 - Atlanta (AIRMAIL)
1 - Salt Lake City (AIRMAIL)
1 - Butte (AIRMAIL)
1 - New Orleans (AIRMAIL)
1 - Boston (AIRMAIL)
1 - Detroit (AIRMAIL)
1 - Chicago (AIRMAIL)
1 - Oklahoma City (AIRMAIL)
1 - Memphis (AIRMAIL)
1 - Newark (AIRMAIL)
1 - New York

166-553-7

JLS:jlr
(18)

SEARCHED INDEXED
SERIALIZED FILED
APR 14 1966
[redacted] b6 b7C

call to his attention the existence of all illegal installations on their equipment and subsequently to conduct investigations independent of any law enforcement agency to gather evidentiary material. When they feel they have substantive information constituting a violation of Federal law, they give the information to the Department of Justice, usually in the local area where the case originated.

[redacted] with emphasis, advised that the company does not wish to be put in a position of becoming an investigative arm of Federal, state, or local law enforcement agencies in these matters. He said full cooperation is extended to all law enforcement agencies when a violation has been determined to exist, and a particular agency is designated to investigate and/or prosecute the case. b6 b7C

[redacted] said he is fully aware of the [redacted] case in Los Angeles and that a meeting was being held this morning with the Department of Justice, FBI and company officials in Los Angeles, concerning Federal prosecution in this matter.

Bureau responsibilities in the various violations in which telephone company facilities are utilized were discussed with [redacted] and he remarked that perhaps "they would have to take a new look" at their policy on these matters, indicating that they may be able to refer cases to the Bureau in the future.

[redacted] related that their primary responsibility is to the phone company subscriber and their investigations are directed toward the elimination of the unjust bearing of the cost of illegal usage of their equipment by their legitimate subscribers. b6 b7C

[redacted] said that [redacted] (apparently the [redacted] referred to in the LA teletype) is [redacted] of Southern Bell Telephone Company, 1618 Hurt Building, Atlanta, Telephone # 404-529-[redacted]

4/11/66

AIRTEL AIRMAIL

TO: SAC, LOS ANGELES (166-462)

FROM: SAC, ATLANTA (166-182) (P)

RE: [redacted] b6 b7C
ETAL
ITAR - GAMBLING; 166-553*
ITWP; FBW; CONSPIRACY
(OO: Los Angeles)

Re Los Angeles teletype to Atlanta 4/4/66 and Atlanta teletype to Los Angeles 4/5/66.

Enclosed for Los Angeles are 15 copies of FD-302 concerning [redacted] and 15 copies of investigative insert reflecting background information relating to [redacted] Enclosed to Memphis, Newark and New Orleans is one copy each of the above. b6 b7C b7D

Information concerning [redacted] was confidentially furnished on 12/20/65 by [redacted]

On 4/11/66 [redacted] Southern Bell Telephone and Telegraph Company, Atlanta, advised that the Southern Bell Telephone Company has a detection system which sweeps trunk lines of the Southern Bell system to detect electronic devices such as "blue boxes." [redacted] advised there is no indication such devices are being used in the Southern Bell system in Ga. [redacted] related that his office has received information from New Orleans concerning the possible use of a device on the phone of E. A. NOLAN and that accordingly b6 b7C

166-553-5

2- Los Angeles (Enc. 30)
1- Memphis (Enc. 2)
1- Newark (Enc. 2)
1- New Orleans (Enc. 2)
3- Atlanta (2 - 166-182)
(1 - [redacted])

JPG:cb/bjh
(8)

SEARCHED [redacted]
SERIALIZED [redacted]
APR 14 1966
[redacted] b6 b7C

with encl.

his office will make specific check of the phones known to be used by [redacted] to determine if such devices are in use on any of these phones.

b6
b7C

- The Atlanta Division will follow this matter with [redacted] and report the results to interested offices.

AT 139-71
JPG/cb
1

With regard to the location known as the [redacted] on August 27, 1964, SAs [redacted] and [redacted] interviewed [redacted] at this location in connection with another investigative matter. At that time, [redacted] acknowledged that he maintains his residence at this address which is commonly referred to as the [redacted]

b6
b7C

On January 12, 1965, [redacted] was interviewed by SAs [redacted] and [redacted] at the Belvedere Shopping Center in DeKalb County, Georgia. At that time, [redacted] advised that on the occasion that he was previously contacted at the [redacted] by SAs [redacted] and [redacted] he and his co-workers had destroyed all their gambling information and had to operate for the next two or three days by trusting all their bettors as the records of all previous transactions had been destroyed.

On February 16, 1965, [redacted] advised SAs [redacted] and [redacted] that he was employed by [redacted]

b6
b7C

On February 16, 1965, [redacted] advised SAs [redacted] and [redacted] that he is a "local gambler." He acknowledged that he held a Federal Wagering Tax Stamp at that time and had arranged for his stamp to contain the statement "at large," in order that he might be able to take bets any where in the State of Georgia. He acknowledged that on his Federal Wagering Stamp, he listed the address of [redacted]

On May 14, 1965, SA [redacted] attempted to contact [redacted] at the [redacted] Although [redacted] was not at the residence at this time, the female occupant thereof indicated that [redacted] still resided at the [redacted]

b6
b7C

On October 14, 1965, [redacted] Cashiers Office, Internal Revenue Office, advised SA [redacted] that the following current Federal Wagering Tax Stamps had been issued on September 11, 1965:

166-553-9

INDEXED
FILED
1966
FBI — NEWARK

NAME	STAMP NUMBER	ATLANTA DISTRICT NUMBER	RETURN NUMBER

b6
b7C

The records of the U. S. District Clerk checked on June 4, 1965, by SA revealed that was indicted on June 3, 1965, by a Federal Grand Jury at Atlanta, Georgia. The 25 count indictment alleged violation of Title 26, Sections 7201 and 7205, of the U. S. Code, in that failed to pay the full amount of the 10 per cent excise tax on wagers accepted for various months between September, 1960, and March, 1964.

b6
b7C

is currently free under bond awaiting trial on this charge.

The following Identification Record dated June 19, 1963, for was located in the files of the Atlanta Police Department on December 20, 1965:

FD-302 (Rev. 1-25-60)

FEDERAL BUREAU OF INVESTIGATION

Date December 21, 1965

1

[redacted]

b6
b7C
b7D

The above information can be produced in court only upon the issuance of a subpoena duces tecum directed to

[redacted]

b6
b7C
b7D

166-VV-3-10

SEARCHED ____ INDEXED ____
SERIALIZED ____ FILED ____
JAN 1 1966
FBI — NEWARK

On 12/20/65 at Atlanta, Georgia File # Atlanta 139-71

by SA [redacted] :rhg/cb Date dictated 12/20/65

b6
b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

FD-280 (Rev. 8-28-58)

DECODED COPY

RECEIVED 3:04PM,
4/22/66 212250

☐ Radio ☒ Teletype

TO DIRECTOR, ATLANTA, BALTIMORE, MEMPHIS, MIAMI, NEWARK, AND NEW ORLEANS- ALL VIA WASHINGTON

166-553X

FROM LOS ANGELES GR 628

[redacted] ET AL. ATAR - GAMBLING; ITWP; FBW - CONSPIRACY, b6 b7C

OO:LA

FOR INFORMATION RECEIVING OFFICES, THIS CASE RELATES TO THE MANUFACTURE AND USE OF ELECTRONIC DEVICE CALLED "BLUE BOX" USED TO CIRCUMVENT BILLING AND DETECTION OF INTERSTATE CALLS WHICH USA'S OFFICE, LOS ANGELES, CONSIDERS TO BE IN VIOLATION OF FRAUD BY WIRE AND IF GAMBLING CONVERSATIONS, VIOLATION OF TITLE ONE EIGHT, SECTION ONE ZERO EIGHT FOUR.

ON FOUR, TWO ZERO LAST FEDERAL GRAND JURY SUBPOENA OBTAINED, SERVED ON [redacted] FOR [redacted] b3 b6 b7C

[redacted] NOW IN POSSESSION OF FBI. [redacted]

[redacted]

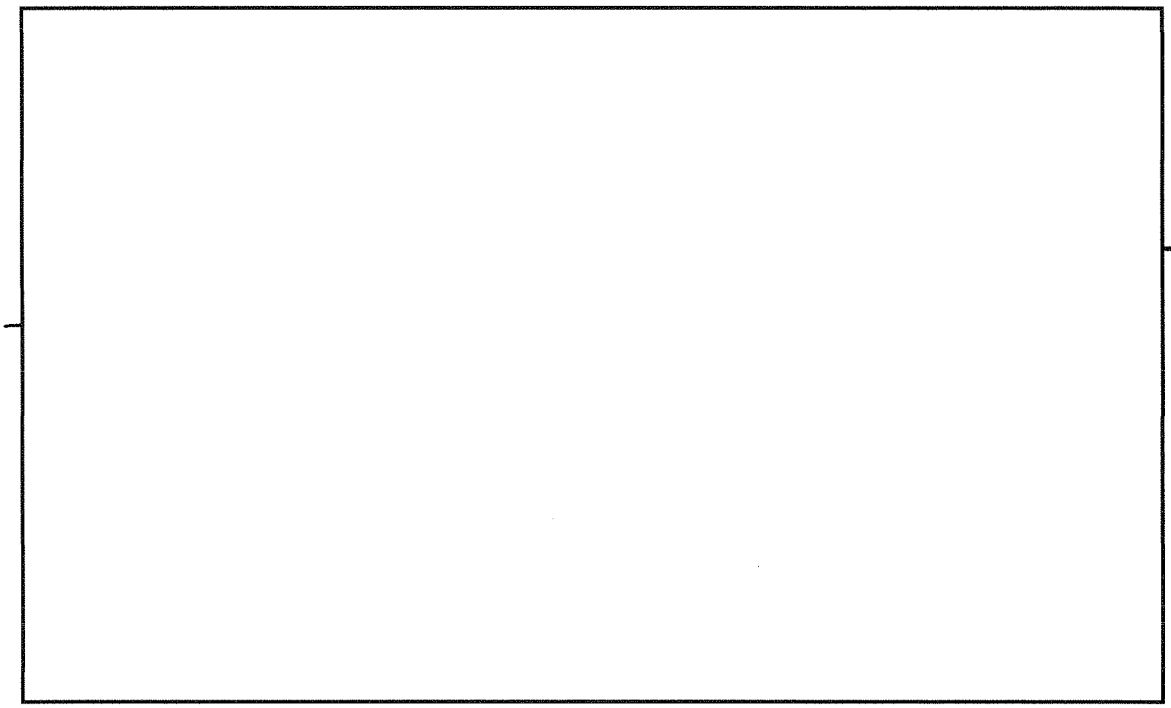
166-553-11

[redacted] b3 b6 b7C

INDEXED
FILED
1965

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is [illegible] paraphrased in order to protect the Bureau's cryptographic systems.

[redacted]



b3
b6
b7C

AUSA JOHN LALLY OF OPINION THAT TAPES OBTAINED BY TELEPHONE COMPANY IN COURSE OF NORMAL BUSINESS TO CIRCUMVENT FRAUD AGAINST THEIR COMPANY LEGAL AND USABLE IN FEDERAL COURT. LALLY OF OPINION THAT FACTS PRESENT A STRONG CASE AGAINST [redacted] AND ALL GAMBLERS CONTACTED BY HIM FOR SECTION ONE ZERO EIGHT FOUR AND AGAINST [redacted] FOR FRAUD BY WIRE.

b6
b7C

LOS ANGELES ALSO CONDUCTING CURRENT INVESTIGATION ON NUMEROUS OTHER USERS OF THIS DEVICE IN LOS ANGLELES AREA AND PLANS NO ACTION AGAINST ANY UNTIL SIMULTANEOUS ARRESTS CAN BE EFFECTED.

RECEIVING OFFICES ARE REQUESTED TO CONDUCT NO OPEN INVESTIGATION WHICH COULD POSSIBLY ALERT THE INDIVIDUALS UNDER INVESTIGATION WHICH COULD CAUSE BUBBIS TO BE NOTIFIED OF FBI INTEREST.

THIS CASE CONTINUING TO RECEIVE PREFERRED ATTENTION

AND THE BUREAU WILL BE KEPT ADVISED.

NEW YORK AND PHILADELPHIA ADVISED AIRMAIL.

DECODED AND TYPED: [redacted] b6 b7C

4/26/66

PLAIN

A I R T E L

TO: DIRECTOR, FBI

FROM: SAC, NEWARK (166-553)(P)

[redacted] b6 b7C
ET AL
ITAR - GAMBLING;
ITWP; FBW - CONSPIRACY
(OO: LA)

Re Newark airtel 4/8/66 (IO) and Los Angeles Tel 4/22/66.

As noted in referenced Newark airtel, telephones listed to [redacted] were connnected 12/3/65. Investigation in case of KENNETH HERBERT HANNA, aka; ITAR; ITWI; FBW, (Bufile 165-1990) showed these premises were used beginning about mid-December, 1965, and ending 1/8/66 at which time [redacted] b6 b7C was found to be operating a bookmaking office at this location.

FD 302 dated 1/18/66 by SAs [redacted] and [redacted] in HANNA case (copy furnished to LA by airtel) shows two calls to location on 1/8/66 from "AL".

Los Angeles is requested to review telephone tapes to determine if [redacted] contacted a [redacted] at [redacted] b6 b7C numbers and if calls have gambling content. If above mentioned calls were recorded, it is possible SA [redacted] can identify his own voice as having received them at about 12:40 PM EST, on 1/8/66.

3 - Bureau
2 - Los Angeles (165-462)
1 - Miami (Info)
2 - Newark
JPW:lgd
(8)

Search 166-553-12
Serialized
Indexed
Filed

12

FD-260 (Rev. 8-28-58)

DECODED COPY

DECODED BY: [redacted] b6 b7C
TYPED BY: [redacted]
4/28/66

☐ Radio ☒ Teletype

TO DIRECTOR, ATLANTA, BALTIMORE, MEMPHIS, MIAMI, NEWARK AND NEW ORLEANS

(ATLANTA, BALTIMORE, MEMPHIS, MIAMI, NEWARK, AND NEW ORLEANS ALL VIA WASHINGTON)

FROM LOS ANGELES

166-553

✓ ✓ [redacted] ET AL. ITAR-GAMBLING;ITWP;FBW-CONSPIRACY. b6 b7C
OO:LOS ANGELES.

REMYTEL FOUR TWENTY ONE LAST.

THIS CASE CONCERNING MANUFACTURE AND USE OF ELETRONIC DEVICE CALLED QUOTE BLUE BOX UNQUOTE USED TO CIRCUMVENT BILLING AND DETECTION ON INTERSTATE CALLS. CALLS MADE FOR OTHER THAN GAMBLING PURPOSES CONSTRUED BY USA, LOS ANGELES TO BE FRAUD BY WIRE CASE. THOSE MADE INVOLVING GAMBLING MATTERS CONSTRUED TO BE FBW AND ITAR-GAMBLING. b3

GRAND JURY SUBPOENAS HAVE BEEN ISSUED TO [redacted] [redacted] FOR [redacted] [redacted]

COMPLAINTS AND SEARCH WARRANTS TO BE FILED END OF MAY FOR ARRESTS OF APPROXIMATELY ONE TWO (12) TO ONE FIVE (15) INDIVIDUALS LOS ANGELES AND INTERVIEWS OF FOUR ZERO (40) OTHERS SUSPECTED OF BEING USERS IN PAST. AT SAME TIME USA CONSIDERING ARRESTS OF INDIVIDUALS WHO ENGAGED IN GAMBLING CONVERSATIONS WITH [redacted] WHO ARE SUSPECTED TO BE :

166-553-73 b6 b7C

SEARCHED ___ INDEXED ___
SERIALIZED ___ FILED ___
APR 28 1966
FBI—NEWARK

C-4

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

NEWARK, NEW JERSEY, INDIVIDUAL SUBSCRIBING TO TELEPHONE AT [redacted] KNOWN UNDER b6 b7C BETTING CODE [redacted]

NEW ORLEANS DIVISION, AT NEW ORLEANS, CODE [redacted] IDENTIFIED AS [redacted] BATON ROGUE, CODE NINE EIGHT, TELEPHONE THREE FOUR EIGHT THREE ONE NINE SEVEN PAREN BELIEVED EUGENE NOLAN UNPAREN. MEMPHIS DIVISION AT NASHVILLE, TENNESSEE, CODE THREE ONE, TELEPHONE TWO FIVE SIX TWO ONE ONE FOUR, BELIEVED TO BE THOMAS MILTON BOYD.

BALTIMORE DIVISION, CODE SIX SEVEN , TELEPHONE SIX SIX NINE TWO TWO SEVEN FIVE, PAREN HERBERT KAUFMAN UNPAREN.

ATLANTA DIVISION AT [redacted] CODE [redacted] [redacted] BELIEVED TO BE [redacted] b6 b7C [redacted]

MIAMI DIVISION, DAD PAREN [redacted] UNPAREN, [redacted] [redacted] IN ADDITION TO [redacted] USING [redacted] TELEPHONE. b6 b7C

FOR INFORMATION BUREAU, [redacted] [redacted] AND TARGET FOR LOS ANGELES FEDERAL GRAND JURY ACTION RECENTLY USING QUOTE BLUE BOX UNQUOTE IN CALLS MADE TO SEATTLE, MIAMI AND CHICAGO. TAPES MADE READY FOR GRAND JURY SUBPOENAS AND NUMBERS CALLED WILL BE SET FORTH FOR IDENTIFICATION.

RECEIVING OFFICES IDENTIFY SUBSCRIBERS CALLED YOUR AREA THROUGH REVIEW OF RECORDS OF RESPECTIVE TELEPHONE COMPANIES AND FURNISH THIS INFORMATION TO LOS ANGELES BY RETURN AIRTEL WITH APPROPRIATE INSERTS.

ADDITIONALLY FURNISH THUMBNAIL SKETCH EACH INDIVIDUAL INCLUDING AGE, RESIDENCE, AND EMPLOYMENT AND ANY INFORMATION REFLECTING GAMBLING CONVICTIONS.

b6
b7C

MIAMI REVIEW RECORDS OBTAINED THROUGH ARREST OF [redacted] AND ATTEMPT TO LOCATE BETTING CODES USED BY HIM. IT IS NOTED CONVERSATIONS TOOK PLACE REGARDING CODE NUMBERS NINE SEVEN AND NINE ZERO SIX WHO HAVE NOT BEEN IDENTIFIED.

NEWARK AND MIAMI ARE REQUESTED TO FURNISH LOS ANGELES WITH ANY INFORMATION AS TO THE IDENTITY OF CODE SEVEN TWO OF UNION CITY, N.J. AND INFORMANTS SHOULD BE CONTACTED IN AN EFFORT TO IDENTIFY THIS PARTY.

ALL OFFICES NOTE THAT USA'S OFFICE CONSIDERING ISSUANCE OF COMPLAINTS AND WARRANTS ON INDIVIDUALS SET FORTH IN THIS TEL AND ARRESTS TO BE MADE AT SAME TIME AS ARRESTS MADE BY FBI LOS ANGELES, THEREFORE, INVESTIGATION REQUESTED TO BE EXPEDITED.

THIS CASE CONTINUING TO RECEIVE PREFERRED ATTENTION AND THE BUREAU WILL BE KEPT ADVISED.

CHICAGO, DALLAS, PHILADELPHIA AND SEATTLE ADVISED AM.

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

5010-106

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI DATE: 4/27/66

FROM : SAC, ATLANTA (166-182)(P)

SUBJECT: [redacted] 166-553 b6 b7C
ETAL
ITAR-GAMBLING; ITWP;
FBW-CONSPIRACY
(OO: Los Angeles)

Re New Orleans teletype to Director, Atlanta and New Orleans 4/6/66, and New York airtel to Director Mar. 13, 1966.

On 4/13/66, [redacted] b6 b7C Southern Bell Telephone and Telegraph Co., Hurt Building, Atlanta, advised that approximately five or six years ago an agreement was reached between officials of the American Telephone and Telegraph Co., (AT&T), and Organized Crimes Section of the Department of Justice, whereby information coming into possession of the AT&T relating to the use, possession, sale, etc., of electronic devices to avoid payment of telephone charges or a record being made of those telephone calls would be referred to AT&T Headquarters in New York, and thereafter to the Organized Crimes Section of the Department of Justice. No referral of these matters by AT&T was to be made to the FBI Office covering the location where these devices were in use.

3 - Bureau
1 - Boston
1 - Butte
1 - Chicago
1 - Detroit
1 - Los Angeles (166-462)
1 - Memphis
1 - Miami
1 - New Orleans
1 - Newark
1 - New York
1 - Oklahoma City
1 - Philadelphia
1 - Salt Lake City
2 - Atlanta
JPG/lth
(18)

166-553-14

SEARCHED INDEXED
SERIALIZED FILED
MAY 2 1966
WARK

[redacted] b6 b7C

[redacted] pointed out that this policy continues to be in effect, but that captioned matter, for some reason or other, was referred directly to the FBI Office, Los Angeles, covering the place where the devices were detected. [redacted] advised that he is advocating that the policy be changed so that local referral to the FBI be made by AT&T, but that until the policy is changed information as to the misuse of telephone devices will be forwarded to AT&T, New York.

b6
b7C

The Bureau may wish to take this matter up with the Department in order that immediate referral to the logical FBI Office will be made by AT&T or by the local Bell System subsidiary.

FD-[redacted] (Rev. 8-28-58)

DECODED COPY

☐ Radio U R G E N T ☒ Teletype

TO : DIRECTOR, ATLANTA, AND NEWARK MAY 3, 1966

FROM: LOS ANGELES 030713

(ATLANTA AND NEWARK VIA WASHINGTON)

[redacted] - 166-553*

[redacted] ET AL. ITAR DASH GAMBLING: ITWP: FBW DASH CONSPIRACY

[redacted] ADVISES [redacted] b2 b6 b7C b7D

[redacted]

IN PAST HAS BEEN EMPLOYED AS [redacted] FORMERLY ASSOCIATED WITH KENNETH HANNA IN BOOKMAKING ACTIVITY AND [redacted] USING QUOTE BLUE BOX UNQUOTE PLACED BETS WITH NUMBER [redacted] IN DECEMBER , LAST.

ATLANTA ATTEMPT TO ESTABLISH RESIDENCE AND IDENTIFY BUSINESS OF [redacted] b6 b7C

NEWARK FURNISH ANY ADDITIONAL INFORMATION REGARDING WHEREABOUTS OF [redacted] TO ATLANTA AND LOS ANGELES.

[redacted] b3

EJJ / JCM

If the intelligence contained in the above message is to be disseminated outside the Bureau, it must be suitably paraphrased in order to protect the Bureau's cryptographic systems.

SEARCHED [redacted] INDEXED [redacted]
SERIALIZED [redacted] FILED [redacted]
1966
[redacted]ARK

b6 b7C

AUSA JOHN LALLY, LOS ANGELES, REVIEWED [redacted]

[redacted] AND ADVISED HE PLANS TO AUTHORIZE ISSUANCE OF

FEDERAL COMPLAINTS END OF EMK MAY, SIXTY SIX AGAINST [redacted]

[redacted] HERBERT KAUFMAN, [redacted]

[redacted] EUGENE NOLAN AND POSSIBLY AGAINST [redacted]

[redacted] AND [redacted]

INVESTIGATION CONTINUING LOS ANGELES , BUREAU WILL BE

ADVISED OF PERTINENT DEVELOPMENTS.

b3
b6
b7C

5/4/66

AIRTEL REGULAR

TO: SAC, LOS ANGELES (166-462)

FROM: SAC, NEWARK (166-553) (P)

SUBJECT: [redacted] ET AL
ITAR - GAMBLING;
ITWP; FBW - CONSPIRACY
OO: Los Angeles

b6
b7C

Re Los Angeles teletype to Bureau, 5/3/66.

Enclosed for Los Angeles and Atlanta is one photograph each of [redacted]

b6
b7C

The most recent information regarding [redacted] which is available without open investigation, is that he resides at [redacted] and is employed as an [redacted] at [redacted]

Newark will request current telephone toll check of his residence to determine if there are contacts being made with the Atlanta area.

For the information of Atlanta, photograph of [redacted] is a good likeness, except that he appears somewhat older and his hairline has receded. He is about [redacted]

b6
b7C

2-Los Angeles (Enc.1)
2-Atlanta (Enc.1)
2-Newark

JPW:jcj
(6)

166-553-16

[redacted]

b6
b7C

FD-36 (Rev. 10-29-63)

F B I

Date: 4/29/66

Transmit the following in CODE
(Type in plain text or code)

Via RADIOGRAM URGENT
(Priority)

TO: SAC, LOS ANGELES (166-462)

FROM: SAC, NEWARK (166-553)

[redacted] ETAL, ITAR-GAMBLING; ITWP, FBW-CONSPIRACY. OO: LA

REURTEL APRIL TWENTY EIGHT

LOS ANGELES IS REFERRED TO NEWARK AIRTELS OF APRIL EIGHT AND TWENTY SIX IDENTIFYING [redacted] TELEPHONE NUMBER [redacted] [redacted] AS HAVING BEEN LISTED TO [redacted] [redacted] A PSEUDONYM USED BY [redacted] [redacted] XEROX COPIES OF MATERIAL FROM HANNA CASE FURNISHED LA WILL ADEQUATELY DESCRIBE [redacted] AND CIRCUMSTANCES LEADING TO HIS DISCOVERY. LA ADVISE IF YOU REQUIRE CURRENT FD THREE ZERO TWO FOR TELEPHONE LISTING OR IF PRIOR INFORMATION WHICH WAS RECEIVED ON JANUARY SEVEN LAST BY IC [redacted] WILL SUFFICE.

BASED ON INVESTIGATION CONDUCTED UNDER KENNETH HERBERT HANNA, AKA. ITAR; ITWI; FBW (OO: MIAMI), IT WOULD APPEAR THAT CODE [redacted] WAS USED TO DESIGNATE HANNA'S INTERESTS IN NEW JERSEY AND THAT [redacted] WAS ACTING ON HANNA'S BEHALF, POSSIBLY SUBORDINATE TO [redacted] AND/OR [redacted] BOTH KNOWN GAMBLERS.

MAIL COPY TO MIAMI.

166-553-17

1 - MIAMI (INFO)
JPW:HDS
(2)

[redacted]

Approved: _____ Sent 12:00 N M Per _____
Special Agent in Charge

#106

Post Office Box 1158
Newark, New Jersey 07101
May 5, 1966

[redacted]

b6
b7C
b7D

Dear [redacted]

Please furnish the requested information on a case now under investigation by this office. The investigation pertains to one John Doe in connection with a violation of the laws of the United States.

Very truly yours,

W. V. M.

R. W. Bachman
Special Agent in Charge

[redacted]

b6
b7C
b7D

166-553-18

5/3/66

AIRTEL AIRMAIL

TO : SAC, LOS ANGELES (166-462)

FROM : SAC, ATLANTA (166-182) (P)

SUBJECT: [redacted]
ET AL
ITAR - GAMBLING;
ITWP; FBW - CONSPIRACY
(OO: LOS ANGELES)

166-553-8

b6
b7C

Re Los Angeles teletype to Bureau, Atlanta and Newark, 5/3/66.

Enclosed for Los Angeles and Newark is one copy each of Atlanta airtel to Miami, 4/12/66, in case entitled "KENNETH HERBERT HANNA, aka. ITWI; FBW; OO: MIAMI."

Enclosed for Miami is one copy of referenced teletype.

For the information of Los Angeles, Miami forwarded to Atlanta by letter dated 4/29/66 a [redacted]

[redacted]

b3

The Los Angeles Division should submit to the Atlanta Office [redacted] between subjects of this investigation and individuals in the Atlanta Division territory.

166-553-19

2 - Los Angeles (Enc. 1)
1 - Miami (Enc. 1) (RM) (166-359) (Info)
1 - Newark (Enc. 1) (Info)
4 - Atlanta (2 - 166-182)
(1 - 165-265)
(1 - 165-21)
JPG:ovr (8)

SEARCHED ..... INDEXED .....
SERIALIZED ..... FILED .....
MAY 6 1966
FBI - NEW HAVEN

[redacted]

b6
b7C

4/12/66

AIRTEL

TO: SAC, Miami (165-592)

FROM: SAC, Atlanta (165-265)(P)

KENNETH HERBERT HANNA, Aka
Ken Hanna,
"Jap",
"Curley",
ITWI; FBW

(OO: Miami)
(BUfile: 165-1990)

Rerep SA [redacted] Miami, 1/13/66; Miami airtel to Bureau, 1/10/66; Miami letter to Atlanta, 3/24/66. b6 b7C

Enclosed for Cleveland are the following:

(1) Copy of rerep SA [redacted] Miami, 1/13/66;
(2) Copy of re Miami airtel to Bureau, 1/10/66.

Re Miami letter to Atlanta, 3/24/66, reported that on 1/16/66, a confidential informant of the Miami Division advised that he learned that HANNA has purchased a book store in Atlanta and is living there at this time.

On 4/1/66, [redacted] advised SA [redacted] b2 b6 b7C b7D that an oldtime bookmaker had recently come to Atlanta and had opened or was in the process of opening a newsstand or book shop which he plans to use as a front for a bookmaking operation.

3 - Miami (2 - 165-592)
(1 - [redacted])
2 - Cleveland (Enc. 2)
(3) - Atlanta (2 - 165-265)
(1 - 165-25)

JPG:BL
(8)

SERIALIZED
INDEXED
FILED
SEARCHED INDEXED b6
SERIALIZED FILED b7C
MAY 6 1966
FBI - NEW HAVEN

[redacted]

165-265-12

AT 165-265

Through physical observation on 4/1/66, it was determined that a new book store known as the Book Mart had recently been opened at 975 Peachtree St., NE, Atlanta.

On 4/5/66, the same informant reported to SA [redacted] that KENNETH HANNA is the individual who opened the book store.

On 4/12/66 [redacted] Georgia State Sales Tax Unit, Atlanta, advised that on 3/25/66 the Paperback Book Mart, Inc., opened as a retail establishment at 975 Peachtree St., NE, Atlanta. The principal officers were listed as KENNETH H. HANNA, President; [redacted] and [redacted] b6 b7C

HANNA listed his residence as being apartment 707, Landmark Towers, Atlanta, and [redacted] listed his residence as being [redacted]

[redacted] b6 b7C b7D

It should be noted that apartment 707 at the Landmark ~~Towers~~ APARTMENTS, Atlanta, is occupied by [redacted] a close friend of [redacted] b6 b7C

LEADS:

AT 165-265

MIAMI DIVISION:

AT MIAMI, FLA.:

Will review indices as to [redacted] b6 b7C

Will advise whether there is any change in vehicles known to have been used by subject, which vehicles were described in rerep as being 1966 green Chevrolet bearing 1965 Florida license 1E21282, which vehicle was rented to subject for 2 years by Towne Rental Agency, 16700 Collins Ave., Miami Beach, Fla.; and 1966 white Ford Galaxie, 1965 Florida license 1W183590.

CLEVELAND DIVISION:

AT CANTON, OHIO:

Will conduct credit, criminal and indices checks as to [redacted] and ascertain from established sources and informants background and activity of [redacted] Will ascertain from city licensing bureau whether Paperback Book Mart, Inc., has actually been in business in Canton, Ohio. b6 b7C

Will check telephone listing and charges for the past 3 months as to Canton telephone 452-2119.

5/10/66

A I R T E L AIR MAIL

TO: Director, FBI (166-1765) ATTENTION: CRIME RECORDS

FROM: SAC, Los Angeles (166-462)

RE: CHANGED: [redacted]

b6
b7C

ET AL
ITAR-GAMBLING; ITWI;
FBW - CONSPIRACY

OO: Los Angeles

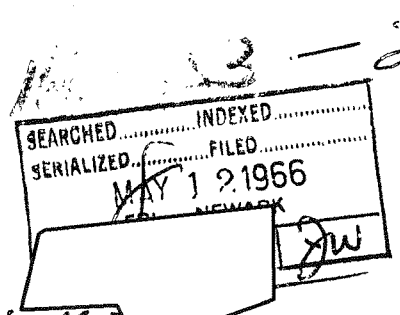
The title is marked CHANGED to reflect the correct spelling of [redacted] name as reflected in his company records.

Re Los Angeles teletype to Director dated 4/27/66.

BACKGROUND

This case entails the use of an electronic device called a multi-frequency tone generator or "blue box" used to make long-distance telephone calls circumventing

3 - Bureau
2 - Atlanta
2 - Baltimore
1 - Butte (Info)
2 - Memphis
2 - Miami
2 - Newark
2 - New Orleans
1 - New York (Info)
1 - Oklahoma City (Info)
1 - Philadelphia (Info)
1 - Salt Lake City (Info)
1 - Seattle (Info)
2 - Los Angeles
JRB/sef
(23)



b6
b7C

You finally made it!!!

C-4

normal billing procedures and in the case of gamblers, detection of the individual called. The Los Angeles area records of the Pacific Telephone and Telegraph Company reflect that there are or have been numerous users of this device, coupled with information that this device is being manufactured in this area by certain engineers. Investigation of these facts has determined that this device is used by individuals falling within two classes, (a.) gamblers and, (b.) salesmen and other legitimate individuals merely circumventing costs of interstate calls.

In the case of gamblers investigation has determined that [redacted] the subject of this case, has been in contact with numerous gamblers throughout the country and has placed bets or obtained gambling information in telephone conversations with these individuals which he did on the instructions and orders of nationally known Miami gambler [redacted] b6 b7C

Assistant United States Attorney JOHN LALLY, Chief of the Organized Crime Section, USA's Office, Los Angeles, stated that it was his opinion that users of the "blue box" were in violation of Fraud by Wire statutes, if the calls were made interstate utilizing this device. In addition, he advised that users of this device could also be prosecuted for violation of federal gambling statutes if the "blue box" were utilized in interstate calls in furtherance of gambling operations.

Assistant U. S. Attorney LALLY stated that if the telephone company, acting on their own initiative and not at the request of the FBI, monitored individuals using this device, any tapes made during the monitoring would be admissible evidence.

Officials of the Pacific Telephone and Telegraph Company advised that they were in accord with AUSA LALLY's opinion and agreed to furnish [redacted] b7D The telephone company representatives requested that such [redacted] be furnished the government through the issuance of a subpoena duces tecum.

Following the AUSA's opinion, [redacted] b6 b7C b7D
[redacted]
were transcribed and reviewed by AUSA LALLY and on the [redacted] he has advised that he will proceed against the following individuals for violation of Title 18, Section 1952 (ITAR-GAMBLING) U. S. Code:

[redacted]

HERBERT KAUFMAN, Baltimore, Maryland

[redacted] b6 b7C

THOMAS MILTON BOYD, Nashville, Tennessee

EUGENE NOLAN, Baton Rouge, Louisiana

// [redacted]

[redacted]

In addition, [redacted]
[redacted] have already b6 b7C b7D
been received and LALLY has opined that he will proceed against the following: [redacted] and [redacted] (It is noted that [redacted] of Miami is [redacted] One of the prime owners is [redacted] who is currently subject of a Federal Grand Jury inquiring, Miami, Florida.

For the information of the Bureau, additional [redacted] and will b7D be supplied to the Federal Grand Jury, Los Angeles on 5/11/66. If additional subjects are established [redacted] the Bureau will be promptly notified.

In addition to the above individuals who will be arrested for federal gambling and Fraud by Wire violations,

Los Angeles has positively determined that eleven individuals have used this device in recent months and AUSA LALLY will proceed against these individuals on charges of Fraud by Wire. Other subjects may develop through current investigation being conducted and these names likewise will be furnished the Bureau promptly when received.

AUSA LALLY desires that all individuals both in Los Angeles and out of state, be arrested on the same date in order to establish a dramatic effect in an effort to aid the telephone company through wide spread publicity that would be achieved and to discourage future use of this device.

At a conference held in Los Angeles attended by representatives of the telephone companies, United States Attorney and the Los Angeles Office of the FBI, telephone company officials expressed serious concern over the cost to their company in policing suspected users of the device and of the costs lost to them by these illegitimate calls. They strongly urged that in their opinion the best means to circumvent and stop this type of activity was to fully cooperate with the FBI in causing arrests of the users which they felt would be the best way to thwart its future use.

TECHNICAL EXPLANATION OF THE "BLUE BOX"

The following information concerning the operation of the "blue box" was provided by [redacted] Pacific Telephone and Telegraph Company, 742 South Hill Street, Los Angeles, California on 5/3/66. b6 b7C

The function of the "blue box" is to simulate pulses used by telephone operators and automatic dialing equipment to make long-distance telephone calls without activating telephone company billing equipment.

[redacted] b7E

[redacted] b7E

DATE OF ARRESTS

AUSA JOHN LALLY has indicated a desire to have all arrests made this case at the end of May, 1966, if investigation can be logically concluded by that time. In addition to those arrested there will be simultaneous interviews made in the Los Angeles area of approximately 20 other individuals who are suspected by the telephone company of using such a device. The USA has advised that if these individuals during interview admit the use of this device to make interstate calls he will consider authorizing the arrest of them for Fraud by Wire.

THUMBNAIL OF INDIVIDUALS TO BE ARRESTED OUT OF STATE

Miami Division

At Miami, Florida [redacted] b6 b7C

[redacted] and is alleged to be one of the largest bookmakers in the United States.

Memphis Division

At [redacted] well known gambling figure in [redacted] born in that city

[redacted]

Newark Division

b6
b7C

At [redacted]

[redacted]

Atlanta Division

At [redacted]

b6
b7C

[redacted] In June, 1965, [redacted] was indicted by a Federal Grand Jury in Atlanta on 25 counts alleging violations of Title 26, Sections 7201 and 7203, U. S. Code. He has FBI # [redacted]

Baltimore Division

At Baltimore, Maryland HERBERT KAUFMAN. KAUFMAN operates and owns Kaufman Realty, 1615 West North Avenue, Baltimore, Maryland, and his last residence address known to the Los Angeles Division was 3600 Labyrinth Road, Baltimore, Maryland.

New Orleans Division

At Baton Rouge, Louisiana EUGENE ANTHONY NOLAN. NOLAN resides with his wife and family at 1051 RITTINER Drive, Baton Rouge, Louisiana. He was born 1/23/30 and has FBI #30122E. NOLAN has had three gambling arrests in the past. There is no record in the Los Angeles Division of any convictions.

GAMBLERS TO BE ARRESTED AT
LOS ANGELES, CALIFORNIA

[redacted]

b6
b7C

BUBIS is single and has no known criminal record.

[redacted] b6 b7C

The following is a group of individuals concerning whom arrests are contemplated for violation of Fraud by Wire and who reside in the area covered by the Los Angeles field Division.

[redacted] b6 b7C

JOSEPH SOLDIS was born 3/28/30 at Derby, Connecticut and resides at 4612 Sharynne Lane, Torrance, California. He is employed by Escoa Corporation, 15519 South Crenshaw Boulevard, Gardena, California as a salesman. There is no known criminal record available concerning SOLDIS.

GRAY HOFFMAN is 40 years of age and resides at 212 South Mariposa in Burbank, California and is employed as manager of the Kahr Bearing Corporation, 3010 North San Fernando Road, Burbank, California. He has no known arrest record.

VIRGIL SALATHIEL normally resides at 5055 Walnut Hill Lane, Dallas, Texas, but has from time to time maintained an apartment in the Los Angeles area. SALATHIEL operates the Teco Wheel Balancing Company, 1005 Arbor Vitae Inglewood, California which also has facilities in Dallas, Texas.

[redacted]

CARL LOVELACE CLEMENT who is approximately 55 years of age, resides at 9336 Lemona, Sepulveda, California and is employed as a manager of engineers at the Escoa Corporation, 15519 South Crenshaw, Gardena, California. CLEMENT is married and has no known police record. b6 b7C

[redacted]

RECOMMENDATION

Based on the wide spread publicity which would be caused by national arrests of gamblers coupled with the unique use of technical devices to make interstate calls, it is recommended that the Bureau give consideration to making a national press release based on the anticipated arrests later this month.

If the Bureau so desires to make such a release Los Angeles will keep you abreast of all information and the identities of additional subjects or suspects. All offices will be advised the night prior to the complaints being

filed that the arrests will be made and approximately one week before such arrests, each office will be requested to determine if the subject they are to arrest is in their field division territory. Following the arrests, each Division will be requested to telephonically advise the Bureau and Los Angeles if they were successful in making the arrest and if gambling paraphernalia found. Additionally, Los Angeles will provide the Bureau the number of "blue box" devices seized in connection with the arrests made in the Los Angeles area.

A copy of this communication has been designated for every office having had past correspondence or leads in this case in the event the Bureau may desire to ask a field division for additional information regarding an individual .

The Bureau is requested to provide Los Angeles in advance a copy of any desired press release in order that Los Angeles may delete or add any subjects based on future investigation or U. S. Attorney's opinion.

5-16-66

Airtel

To: SAC, Los Angeles (166-462)

From: Director, FBI (166-1766)

166553*

CHANGED: [redacted]

b6
b7C

ET AL
ITAR - GAMBLING; ITWI;
ITW - CONSPIRACY
SUBJECT: MAY 23, 1966
RESEARCH (CRIME RECORDS)

Re Los Angeles airtel, 5-10-66.

The Bureau will make a decision as to the advisability of a national press release when all facts concerning instant matter are known. In all probability a national press release will be made by me in Washington, D. C., concerning this matter.

To assist in such a release, all auxiliary offices should review the thumbnails of subjects in their territory as furnished by Los Angeles and insure that they are accurate. In those instances where employment or residence is not known, such should be discreetly obtained and furnished to the Bureau. Also furnish to the Bureau any known arrest records of potential subjects.

2 - Atlanta
2 - Baltimore
2 - Butte
2 - Memphis
2 - Miami
2 - Newark
2 - New Orleans
2 - New York
2 - Oklahoma City
2 - Philadelphia
2 - Salt Lake City
2 - Seattle

166-553-22

MAY 17 1966

[redacted]

b6
b7C

Airtel to SAC, Los Angeles
RE: Changed: [redacted]

b6
b7C

Los Angeles should follow this matter very closely and promptly furnish to the Bureau, Attention: Crime Records Division, any additional pertinent background information concerning potential subjects and any information which would affect a national press release.

All offices should advise the Bureau, Attention: Crime Records Division, of any necessary changes in the thumbnails as furnished by Los Angeles by May 23, 1966.

FBI LOS ANG.

7:11 PM PDST U R G E N T 4/28/66 VLB

TO: DIRECTOR AND NEWARK (166-553)

FROM: LOS ANGELES (165-462) /1 P/

[redacted] ET AL. ITAR - GAMBLING; ITWP; FBW - CONSPIRACY. b6 b7C

OO: LOS ANGELES.

RE LOS ANGELES TEL TO DIRECTOR FOUR TWENTY SEVEN LAST AND NEWARK AIRTEL TO DIRECTOR DATED FOUR TWENTY SIX.

NEWARK DIVISION DETERMINE WHEREABOUTS OF [redacted] WHO OPERATED BOOK AT [redacted] WHERE TELEPHONE LISTED TO [redacted] FURNISH BACK- b6 b7C b7D
GROUND AND THUMBNAIL REGARDING [redacted]

[redacted] COVERING [redacted]
ON ONE EIGHT SIXTY SIX.

[redacted] DID CONTACT NUMBER [redacted] AT [redacted] NUMBER ON TWELVE TWENTY THREE LAST.

END

WA---RCS

FBI WASH DC

NK---TJH

FBI NEWARK

TU LCR

No action 4/28 Per ABB

166-553-23

SEARCHED [redacted] INDEXED [redacted]
SERIALIZED [redacted] FILED [redacted]
APR 28 1966
NEWARK

[redacted] b6 b7C

166-553*

FBI LOS ANG.

7:38 PM PDT URGENT 5-20-66 EVK

TO BUREAU (166-1765) ATT: CRIME RECORDS DIVISION,

ATLANTA, BALTIMORE, CHARLOTTE, MEMPHIS, MIAMI, NEWARK, NEW ORLEANS

FROM LOS ANGELES (166-462)

[redacted] ITWI. FWB-CONSPIRACY. OO: LOS ANGELES.

b6
b7C

RE LOS ANGELES AIRTEL TO DIRECTOR MAY TEN LAST.

ITAR-GAMBLING IS DELETED FROM CHARACTER.

AUSA JOHN LALLY, LOS ANGELES TODAY CONFIRMED HE WOULD AUTHORIZE FILING OF COMPLAINTS AGAINST THE FOLLOWING UNDER ITWI STATUTE: [redacted] HERBERT KAUFMAN, BALTIMORE, MARYLAND; [redacted]

b6
b7C

[redacted] AND [redacted] AND

END PAGE ONE

166-553-2

SEARCHED ..... INDEXED .....
SERIALIZED ..... FILED .....
MAY 20 1966
[redacted]

b6
b7C

[redacted]

AUSA LALLY DID NOT CONFIRM BUT GIVING CONSIDERATION TO EUGENE NOLN, BATON ROUGE, LOUISIANA; HENRY E. LOMAN, GREENSBORO, NORTH CAROLINA. b6 b7C

COMPLAINTS WILL BE AUTHORIZED AGAINST THE FOLLOWING FOR FBW: [redacted] GREY HOFFMAN; VIRGIL SALATHIEL; CARL LOVELACE CLEMENT.

PROBABLE CAUSE DOES NOT EXIST FOR JOSEPH SOLDIS AT THIS TIME.

ADDITIONAL SUBJECT [redacted] TO BE INCLUDED FBW.

THE FOLLOWING THUMBNAIL OF [redacted] b6 b7C

[redacted]

COMPLAINTS WILL BE FILED FOR AIDING AND ABETTING FBW AGAINST [redacted] AND [redacted]

THE BUREAU, NEW ORLEANS AND CHARLOTTE WILL BE IMMEDIATELY ADVISED OF ANY PERTINENT DEVELOPMENTS CONCERNING QUESTIONABLE SUBJECTS THEIR TERRITORIES.

END PAGE TWO

PAGE THREE

ALL OFFICES IMMEDIATE DETERMINE WHEREABOUTS OF SUBJECTS THEIR TERRITORY AND SUTEL BUREAU AND LOS ANGELES BY MAY TWENTY THREE NEXT.

IT IS ANTICIPATED THAT COMPLAINTS FILED AND WARRANTS WILL BE ISSUED DATED MAY TWENTY FOUR NEXT TO BE EXECUTED EARLY AM MAY TWENTY FIVE NEXT.

ALL OFFICES WILL BE ADVISED TUESDAY BY TEL THAT COMPLAINTS FILED. SHORT TEL WILL LEAVE LOS ANGELES WEDNESDAY MORNING ADVISING TO ARREST. ARRESTS TO BE COORDINATED BY LA.

FOLLOWING ARREST EACH OFFICE TELEPHONICALLY ADVISE LOS ANGELES THAT SUBJECT IN CUSTODY AND IF SEARCH INCIDENTIAL RECOVERED GAMBLING PARAPHERNALIA.

FOR INFO MIAMI IT IS UNDECIDED AT THIS TIME WHETHER PROCESS CAN BE OBTAINED FOR BOTH [redacted] AND [redacted] AUSA DESIRES TO KNOW IF THERE IS INDEPENDENT EVIDENCE OTHER THAN TESTIMONY OF [redacted] TO ESTABLISH THAT [redacted] IS PRINCIPAL OPERATOR OF [redacted] ALSO CAN [redacted] BE CHARACTERIZED AS AN INFORMANT OF KNOWN RELIABILITY FOR AFFIDAVIT PURPOSES AND WAS [redacted] IDENTIFIED OR DEVELOPED AS A SOURCE AS THE RESULT OF INFO FROM FORMER [redacted] DID [redacted] LEAVE [redacted]

b2
b6
b7C
b7D

END PAGE THREE

PAGE FOUR

EMPLOYMENT PRIOR TO DISCONTINUANCE OF ABOVE SOURCE.

[redacted]

[redacted] AND MAY

FURNISH ADDITIONAL EVIDENCE TO STRENGTHEN CASE AGAINST

[redacted] MIAMI WILL BE ADVISED OF ANY PERTINENT INFO.

b6
b7C
b7D

END

ME GHC

FBI MEMPHIS

MI... MM...SORRY MM...LAS

FBI MIAMI

NW... OK NK...EJC

FBI NEWARK

NO...PHJ

FBI NEW ORLS

WA, AT, BA, CE TO BE ADVISED

TU CLR

FBI LOS ANG.

8-30 PM PDST U R G E N T 5-23-66 MAK

TO: DIRECTOR (166-1765) (ATTN. CRIME RECORDS)

ATLANTA, BALTIMORE, CHARLOTTE, DALLAS, MEMPHIS,

MIAMI, NEWARK, AND NEW ORLEANS

FROM: LOS ANGELES (166-462)

166-553*

[redacted] ET AL. ITWI; FBW-CONSPIRACY. OO: LA. b6 b7C

RE LOS ANGELES TEL MAY TWENTY LAST.

[redacted] b7D

[redacted] AND REVIEWED OVER WEEKEND LAST. BASED ON

THIS REVIEW AUSA JOHN LALLY WILL AUTHORIZE ITWI COMPLAINT

AND WARRANT MAY TWENTY FOUR NEXT TO BE EXECUTED MAY TWENTY

FIVE NEWT FOR [redacted] b6 b7C

ADDITIONALLY [redacted] FOR FBW AND

[redacted] AND [redacted] FOR ITWI.

AUSA LALLY WILL PROVIDE PROBABLE CAUSE FOR SEARCH RESIDENCE

OF [redacted] BUT NOT [redacted] AUTOMOBILE NOR [redacted]

IN ADDITION, INFORMATION RECEIVED FROM DALLAS THIS

CORRECTION LINE SIX WORD TWO SHD BE NEXT

END PAGE ONE

166-553-25

SEARCHED ..... INDEXED .....
SERIALIZED ..... FILED .....
MAY 23 1966
FBI — NEWARK

[redacted] b6 b7C

DATE TO EFFECT VIRGIL SALATHIEL TO BE ARRESTED FOR FBW CURRENTLY RESIDING DALLAS, TEXAS.

CHARLOTTE AND DALLAS SUTEL THUMBNAILS FOR LOMAN AND [redacted] TO BUREAU ATTENTION CRIME RECORDS.

IN RECAP FOLLOWING TO BE ARRESTED FOR ITWI: HENRY E. LOMAN; [redacted] HERBERT KAUFMAN; [redacted] EUGENE ANTHONY NOLAN; THOMAN MILTON BOYD; [redacted] AND [redacted] b6 b7C

THE FOLLOWING FOR ITWI AND FBW; [redacted] AND [redacted]

THE FOLLOWING FOR FBW EXCLUSIVELY: [redacted] GREY HOFFMAN; JOSEPH SOLDIS; CARL LOVELACE CLEMENT; [redacted] AND VIRGIL SALATHIEL.

LARRY L. SIMMS AND WALLACE DAVID KIES WILL BE ARRESTED FOR AIDING AND ABETTING FBW.

FOR THE INFO OF ALL OFFICES, THE BUREAU DESIRES THAT FOLLOWING EACH ARREST ON MAY TWENTY FIVE NEXT THE BUREAU BE NOTIFIED TELEPHONICALLY AT CRIME RECORDS.

ALL OFFICES WILL MAKE ARRESTS AT SEVEN A.M. PACIFIC DAYLIGHT TIME MAY TWENTY FIVE NEXT.

END PAGE TWO

FOR INFORMATION ATLANTA, AUSA LALLY DOES NOT HAVE SUFFICIENT INFO TO PROVIDE PROBABLE CAUSE FOR SEARCH [redacted] b6 b7C [redacted] BECAUSE CALLS MADE TO [redacted] WERE IN DECEMBER LAST.

ON MAY TWENTY FOUR NEXT AUTHORIZED COMPLAINTS WILL BE FILED BEFORE USC RUSSELL R. HERMAN AT LOS ANGELES, CALIFORNIA CHARGING VIOLATION OF TITLE EIGHTEEN SECTION ONE ZERO EIGHT FOUR, U.S. CODE, INTERSTATE TRANSPORTATION OF WAGERING INFORMATION THAT ON OR ABOUT THE FOLLOWING DATE THE FOLLOWING INDIVIDUALS DID RECEIVE A TELEPHONE CALL FROM [redacted] AT LOS ANGELES, CALIFORNIA IN WHICH BETS AND WAGERS AND BETTING AND WAGERING INFORMATION WAS OBTAINED: [redacted] DECEMBER TWENTY THREE LAST AT b6 b7C [redacted] DECEMBER TWENTY THREE LAST AT [redacted] DECEMBER TWENTY TWO LAST AT [redacted] HERBERT KAUFMAN DECEMBER TWENTY THREE LAST AT BALTIMORE, MARYLAND. EUGENE ANTHONY NOLAN DECEMBER TWENTY LAST AT BATON ROUGE, LOUISIANA. THOMAS MILTON BOYD DECEMBER TWENTY THREE LAST NASHVILLE, TENNESSEE. HENRY E. LOMAN DECEMBER TWENTY THREE LAST AT GREENSBORO, NORTH CAROLINA CHARGED WITH SETTLEMENT OF BETS AND WAGERS ONLY.

END PAGE THREE

A WARRANT CHARGING [redacted] WITH THE ABOVE VIOLATION FOR CALLS MADE ON DECEMBER TWENTY THREE LAST AT LOS ANGELES, CALIFORNIA TO MIAMI, FLORIDA OF BETS AND WAGERS WILL ALSO BE AUTHORIZED. b6 b7C

FOLLOWING IS THE GENERAL LANGUAGE BEING USED IN FBW COMPLAINTS:

BLANK DID KNOWINGLY EMPLOY AN ELECTRONIC DEVICE KNOWN AS A MULTI-FREQUENCY SIGNAL GENERATOR IN MAKING INTERSTATE TELEPHONE CALLS TO CIRCUMVENT THE NORMAL BILLING PROCEDURES OF THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY THUS PERPETRATING A FRAUD BY THE USE OF AN INTERSTATE WIRE FACILITY.

THE GENERAL LANGUAGE FOR THE AIDING AND ABETTING COMPLAINTS:

BLANK DID AID AND ABET IN THE PRODUCTION OF AN ELECTRONIC DEVICE KNOWN AS A MULTI-FREQUENCY SIGNAL GENERATOR EMPLOYED IN MAKING INTERSTATE TELEPHONE CALLS TO CIRCUMVENT THE NORMAL BILLING PROCEDURES OF THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY PAREN AND OR GENERAL TELEPHONE COMPANY ENPAREN PLUS PERPETRATING A FRAUD BY USE OF AN INTERSTATE WIRE FACILITY.

END PAGE FOUR

ON OR ABOUT MAY NINETEEN LAST [redacted] [redacted] DID RECEIVE A TELEPHONE CALL OR CALLS PLACED BY [redacted] WHICH TRANSMITTED IN INTERSTATE COMMERCE BETTING AND WAGERING INFORMATION. b6 b7C

[redacted] [redacted] ON OR ABOUT MAY NINETEEN LAST DID CAUSE TO BE RECEIVED A TELEPHONE CALL OR CALLS BY [redacted] WHICH CALLS TRANSMITTED IN INTERSTATE COMMERCE BETTING AND WAGERING INFORMATION. b6 b7C

[redacted] ON OR ABOUT MAY NINETEEN LAST DID KNOWINGLY EMPLOY AN ELECTRONIC DEVICE KNOWN AS A MULTI FREQUENCY SIGNAL GENERATOR IN MAKING INTERSTATE TELEPHONE CALLS TO CIRCUMVENT THE NORMAL BILLING PROCEDURES OF THE PACIFIC TELEPHONE COMPANY AND ALSO DID

END PAGE FIVE

CAUSE TO BE TRANSMITTED IN INTERSTATE COMMERCE BETTING
AND WAGERING INFORMATION.
END,
AT , ARK
FBI , ATLANTA
BA , VEMP
FBI, BALTO
CE , HVA
FBI CHARLT
DL , JDP
FBI DALLAS
ME , CAF
FBI , MEMPHIS
NK , AFW
FBI, NEWARK
NO PHJ
FBI , NEW ORLS
WA AND MIAMI ADVISED THIS DATE SEPARATE
TU ME CLR

FBI NEWARK

FBI WASH DC

151PM URGENT 5-24-66 SXC

TO ATLANTA BALTIMORE CHARLOTTE DALLAS LOS ANGELES MEMPHIS

MIAMI NEWARK NEW ORLEANS

FROM DIRECTOR

166-553X

[redacted] ET AL; ITAR - GAMBLING; ITWP;

b6
b7C

FBW - CONSPIRACY.

THERE FOLLOWS A PROPOSED PRESS RELEASE WHICH I WILL MAKE IN WASHINGTON, D. C., IN CONNECTION WITH INSTANT MATTER. RELEASE WILL BE SUBJECT TO MINOR CHANGES NECESSITATED AT TIME OF ARRESTS. NO RELEASE IS TO BE MADE BY ANY OFFICE UNTIL SPECIFICALLY INSTRUCTED TO DO SO BY THE BUREAU. THE BUREAU (ATTENTION SPECIAL INVESTIGATIVE DIVISION) IS TO BE TELEPHONICALLY NOTIFIED UPON COMPLETION OF MAJORITY ARRESTS BY VARIOUS OFFICES. DO NOT DELAY ADVISING BUREAU OF ARRESTS IF IT APPEARS YOU MAY NOT BE ABLE TO LOCATE SOME SUBJECTS. INFO CONCERNING EXECUTION OF SEARCH WARRANTS MAY BE ISSUED LOCALLY BY OFFICES INVOLVED. CONFINE REMARKS TO NEW MEDIA TO INFO IN PRESS RELEASE AND EXECUTION OF SEARCH WARRANTS. ALL OFFICES ARE

166-553-26

SEARCHED ___ INDEXED ___
SERIALIZED ___ FILED ___
MAY 24 1966
FBI — NEWARK

TO IMMEDIATELY REVIEW PRESS RELEASE TO INSURE DESCRIPTIVE DATA REGARDING SUBJECTS IS ACCURATE. PROMPTLY ADVISE THE BUREAU TELEPHONICALLY OF ANY NECESSARY CHANGES. THE PRESS RELEASE IS AS FOLLOWS:

FBI AGENTS TODAY DEALT A CRIPPLING BLOW TO THE USERS OF ELECTRONIC DEVICES DESIGNED TO CIRCUMVENT TOLL CHARGES ON LONG-DISTANCE TELEPHONE CALLS BY THE ARREST OF 20 INDIVIDUALS IN 9 DIFFERENT STATES, ATTORNEY GENERAL NICHOLAS DEB. KATZENBACH ANNOUNCED.

FBI DIRECTOR J. EDGAR HOOVER SAID THE ARRESTS WERE MADE ON THE BASIS OF COMPLAINTS FILED IN LOS ANGELES, CALIFORNIA, BY THE FBI YESTERDAY CHARGING VIOLATIONS OF FEDERAL STATUTES ON THE PART OF INDIVIDUALS IN FLORIDA, MARYLAND, GEORGIA, TENNESSEE, NEW JERSEY, CALIFORNIA, LOUISIANA, NORTH CAROLINA AND TEXAS.

THE COMPLAINTS ALLEGE VIOLATIONS OF THE INTERSTATE TRANSMISSION OF WAGERING INFORMATION STATUTE, THE FRAUD BY WIRE STATUTE AND THE AIDING AND ABETTING OF FRAUD BY WIRE.

MR. HOOVER ADVISED THAT THE ARRESTS TODAY CLIMAXED AN EXTENSIVE AND DETAILED INVESTIGATION BY FBI AGENTS THROUGHOUT THE UNITED

STATES. THE VIOLATIONS CHARGED THE USE OF AN ELECTRONIC DEVICE KNOWN AS A MULTIFREQUENCY SIGNAL GENERATOR OR "BLUE BOX," WHICH INSTRUMENT IS USED TO CIRCUMVENT NORMAL BILLING PROCEDURES ON LONG-DISTANCE TELEPHONE CALLS. THE INVESTIGATION DETERMINED THAT THE DEVICE WAS USED BY GAMBLERS AS WELL AS OTHER INDIVIDUALS ATTEMPTING TO CIRCUMVENT COSTS OF INTERSTATE CALLS. IN THE CASE OF GAMBLERS THE INSTRUMENT ALSO PREVENTED THE DETECTION OF INDIVIDUAL CALLS.

THE FBI DIRECTOR ADVISED THAT THE FOLLOWING INDIVIDUALS ARRESTED WERE CHARGED WITH VIOLATING THE INTERSTATE TRANSMISSION OF WAGERING INFORMATION STATUTES AND, IF CONVICTED, FACE SENTENCES RANGING UP TO $10,000 FINE AND/OR TWO YEARS' IMPRISONMENT.

[redacted] b6 b7C

[redacted] IS ALLEGEDLY ONE OF THE MAJOR BOOKMAKERS IN THE UNITED STATES.

HERBERT KAUFMAN, 55, MARRIED, A RESIDENT OF 3600 LABYRINTH ROAD, BALTIMORE, MARYLAND, AND THE OWNER AND OPERATOR OF KAUFMAN REALTY, 1615 WEST NORTH AVENUE, BALTIMORE.

[redacted] b6 b7C

[redacted]

THOMAS MILTON BOYD, 36, MARRIED, A RESIDENT OF 212 ROLLING FORK COURT, NASHVILLE, TENNESSEE, AND A PARTNER IN THE OPERATION OF THE UPTOWN RECREATION CENTER, 415 DIEDRICH STREET, NASHVILLE. BOYD IS REPORTEDLY A WELL-KNOWN GAMBLING FIGURE IN NASHVILLE.

[redacted] b6 b7C

EUGENE ANTHONY NOLAN, 36, MARRIED, OF 6159 PARIS AVENUE, NEW ORLEANS, LOUISIANA.

HENRY EDWARD LOMAN, 50, OF R.F.D. #5, BOX 856, WILCOX ROAD, GREENBORO, NORTH CAROLINA. LOMAN IS NOT KNOWN TO BE CURRENTLY EMPLOYED BUT FORMERLY OPERATED THE GRIDIRON GRILL IN GREENSBORO.

[redacted]

b6
b7C

MR. HOOVER ADVISED THAT THE FOLLOWING INDIVIDUALS WERE CHARGED WITH VIOLATIONS OF THE FRAUD BY WIRE STATUTES AND, IF CONVICTED, FACE SENTENCES RANGING UP TO $1,000 FINE AND/OR FIVE YEARS' IMPRISONMENT:

[redacted] AND [redacted] WHO ARE MENTIONED ABOVE AS ALSO BEING CHARGED WITH VIOLATIONS OF THE INTERSTATE TRANSMISSION OF WAGERING INFORMATION STATUTES. b6 b7C

[redacted]

GRAY HOFFMAN, 40, OF 212 SOUTH MARLPOSA, BURBANK, CALIFORNIA. HE IS EMPLOYED AS THE MANAGER OF THE KAHR BEARING CORPORATION, 3010 NORTH SAN FERNANDO ROAD, BURBANK.

JOSEPH SOLDIS, 36, OF 4612 SHARYNNE LANE, TORRANCE, CALIFORNIA. HE IS EMPLOYED AS A SALESMAN BY ESCOA CORPORATION, 15519 SOUTH CRENSHAW BOULEVARD, GARDENA, CALIFORNIA.

VIRGIL SALATHIEL, A RESIDENT OF 5055 WALNUT HILL LANE, DALLAS, TEXAS, AND LOS ANGELES, CALIFORNIA. SALATHIEL OPERATES THE TECO WHEEL BALANCING COMPANY, 1005 ARBOR VITAE, INGLEWOOD, CALIFORNIA, WHICH COMPANY ALSO HAS FACILITIES IN DALLAS, TEXAS.

CARL LOVELACE CLEMENT, APPROXIMATELY 55, OF 9336 LEMONA, SEPULVEDA, CALIFORNIA. HE IS MARRIED AND EMPLOYED AS A MANAGER OF ENGINEERS AT THE ESCOA CORPORATION, 15519 SOUTH CRENSHAW, GARDENA, CALIFORNIA.

[redacted] b6 b7C

THE FBI DIRECTOR ADVISED THAT THE FOLLOWING TWO INDIVIDUALS WERE ALSO ARRESTED AND CHARGED IN COMPLAINTS WITH AIDING AND ABETTING FRAUD BY WIRE AND, IF CONVICTED, FACE SENTENCES RANGING UP TO $1,000 FINE AND/OR FIVE YEARS' IMPRISONMENT.

[redacted] b6 b7C

THE FBI DIRECTOR ALSO STATED THAT [redacted]

[redacted] WAS ALSO CHARGED IN A

COMPLAINT WITH VIOLATING THE FRAUD BY WIRE STATUTES. [redacted] IS REPORTEDLY RESIDING IN [redacted]

b6
b7C

MR. HOOVER ADVISED THAT ALL OF THE INDIVIDUALS ARRESTED TODAY WILL BE ARRAIGNED BEFORE A UNITED STATES COMMISSIONER AS SOON AS POSSIBLE.

END

FIX NK..>> PXL

FBI NEWARK

TU CLR

FBI LOS ANG.

11-04 PM URGENT 5-24-66 KH

TO DIRECTOR 166-1765 ATT: SPECIAL INVESTIGATIVE DIVISION

ATLANTA BALTIMORE CHARLOTTE DALLAS HOUSTON

MEMPHIS MIAMI NEWARK NEW YORK NEW ORLEANS

FROM LOS ANGELES 166-462

166-553*

CHANGED, [redacted] - FUGITIVE; HENRY E. LOMAN - FUGITIVE; [redacted] - FUGITIVE; HERBERT KAUFMAN - FUGITIVE; [redacted] - FUGITIVE; EUGENE ANTHONY NOLAN - FUGITIVE; THOMAS MILTON BOYD - FUGITIVE; [redacted] - FUGITIVE; [redacted] - FUGITIVE. ITWI; FBW - CONSPIRACY.

[redacted] - FUGITIVE; [redacted] - FUGITIVE; [redacted] - FUGITIVE; [redacted] - FUGITIVE. ITWI; FBW.

[redacted] - FUGITIVE; [redacted] - FUGITIVE. FBW.

END PAGE ONE

166-553-27

SEARCHED ..... INDEXED .....
SERIALIZED ..... FILED .....
MAY 24 1966
FBI NEWARK

[redacted]

E-4

b6
b7C

b6
b7C

[redacted] - FUGITIVE. FBW.

JOSEPH SOLDIS - FUGITIVE; CARL LOVELACE CLEMENT - FUGITIVE. FBW.

GRAY HOFFMAN - FUGITIVE. FBW.

VIRGIL SALATHIEL - FUGITIVE. FBW.

[redacted] FUGITIVE. FBW.

OO: LOS ANGELES

TITLE CHANGED TO REFLECT NAMES OF ALL SUBJECTS AGAINST WHOM PROCESS OBTAINED.

RE LOS ANGELES TEL MAY TWENTY THREE LAST.

AUTHORIZED COMPLAINTS FILED AND WARRANTS ISSUED MAY TWENTY FOUR INSTANT ON ALL SUBJECTS BEFORE USC RUSSELL R. HERMANN, LOS ANGELES, CHARGING ITWI; FBW; AND AIDING AND ABETTING FBW AS INDICATED.

RECOMMENDED BOND ALL RETURNABLE LOS ANGELES FIVE THOUSAND DOLLARS.

COMPLAINTS FILED BY SA [redacted] FOR [redacted] CHARGING ITWI; EUGENE ANTHONY NOLAN, ITWI; [redacted] AIDING AND ABETTING FBW; [redacted] ITWI; [redacted] ITWI AND FBW AND [redacted] ITWI.

b6
b7C

b6
b7C

END PAGE TWO

COMPLAINTS FILED BY SA [redacted] FOR HERBERT KAUFMAN, ITWI; [redacted] ITWI; GRAY HOFFMAN, FBW; CARL CLEMENT, FBW; JOE SOLDIS, FBW; [redacted] FBW; [redacted] FBW; [redacted] AIDING AND ABETTING FBW; VIRGIL SALATHIEL, FBW; [redacted] AIDING AND ABETTING FBW AND [redacted] FBW.

b6
b7C

COMPLAINTS FILED BY SA [redacted] FOR [redacted] ITWI AND FBW; HENRY E. LOMAN, ITWI; [redacted] ITWI AND [redacted] ITWI.

ALL OFFICES ARREST IN ACCORDANCE WIH PLAN FOR ARREST AT SEVEN AM PACIFIC DAYLIGHT SAVINGS TIME ON MAY TWENTY FIVE NEXT. ALL OFFICES REMINDED THAT PRESS RELEASE BEING MADE BY BUREAU AND ARE INSTRUCTED TO TELEPHONICALLY CONTACT BUREAU WHEN ARREST MADE.

FOR INFO NEW YORK IF BECKLEY LOCATED YOUR TERRITORY APPREHEND AND CALL BUREAU FOR LANGUAGE PRESS RELEASE AND AUTHORITY TO RELEASE.

HOUSTON HANDLE ARREST OF NOLAN AS SET FORTH IN INSTRUCTIONS BY NEW ORLEANS.

PAGE FOUR

SEARCH WARRANTS OBTAINED AT LOS ANGELES FOR SEARCH OF [redacted] FOR GAMBLING PARAPHERNALIA AND BLUE BOX; FOR RESIDENCE OF [redacted] FOR BLUE BOX AND FOR RESIDENCE OF GRAY HOFFMAN FOR BLUE BOX.

b6
b7C

WARRANTS WILL BE EXECUTED AT TIME OF ARREST.

OTHERS ADVISED

END

WA...ARK

FBI WASH DC

BA...TEC

FBI, BALTO

CE...JLM

FBI CHARLT

MXXXNK...EJJ

FBI NEWARK

NY...JAA

FBI NEW YORK

TU CLR

FBI NEWARK

FBI WASH DC

1032AM URGENT 5-25-66 LRA

TO ATLANTA BALTIMORE CHARLOTTE DALLAS LOS ANGELES MEMPHIS MIAMI NEWARK NEW ORLEANS NEW YORK

FROM DIRECTOR 3P

166-553*

[redacted] ET AL; ITAR - GAMBLING; ITWP; FBW - CONSPIRACY.

b6
b7C

REBUTEL FIVE TWENTY-FOUR WHICH SET FORTH PROPOSED PRESS RELEASE IN INSTANT MATTER. ALL OFFICES ARE ADVISED OF THE FOLLOWING CHANGES TO BE MADE IN PRESS RELEASE:

PARAGRAPH TWO, LAST LINE SHOULD READ QUOTE NORTH CAROLINA, TEXAS AND NEW YORK UNQUOTE. PARAGRAPH THREE DELETE LAST LINE QUOTE IN THE CASE OF GAMBLERS AND INSTRUMENT ALSO PREVENTED THE DETECTION OF INDIVIDUAL CALLS UNQUOTE. DESCRIPTIVE DATA CONCERNING SUBJECT [redacted] SHOULD READ QUOTE

[redacted]

166-553-28

b6
b7C

END PAGE ONE

SEARCHED ..... INDEXED .....
SERIALIZED ..... FILED .....
MAY 25 1966
FBI — NEWARK

[redacted] IS ALLEGEDLY ONE OF THE MAJOR BOOKMAKERS IN THE UNITED STATES. HE WAS ARRESTED IN NEW YORK CITY UNQUOTE. BUSINESS ADDRESS OF SUBJECT BOYD SHOULD BE QUOTE FOUR ONE FIVE DEADERICK STREET, NASHVILLE UNQUOTE. DESCRIPTIVE DATA CONCERNING SUBJECT [redacted] SHOULD READ QUOTE

b6
b7C

[redacted]

b6
b7C

DESCRIPTIVE DATA CONCERNING SUBJECT [redacted] SHOULD READ QUOTE

[redacted]

b6
b7C

[redacted] RESIDENCE ADDRESS OF SUBJECT HOFFMAN SHOULD READ QUOTE TWO ONE TWO SOUTH MARIPOSA, BURBANK, CALIFORNIA UNQUOTE. FOLLOWING SUBJECT SALATHIEL INSERT THE AGE

END PAGE TWO

OF FORTY-EIGHT. SALATHIEL'S BUSINESS ADDRESS SHOULD READ QUOTE ONE ZERO ZERO FIVE ARBOR VITA, INGLEWOOD, CALIFORNIA UNQUOTE. LAST LINE OF DESCRIPTIVE DATA CONCERNING SUBJECT [redacted] QUOTE [redacted] SHOULD BE DELETED.

b6
b7C

ANY ADDITIONAL CHANGES NECESSITATED AT TIME OF ARREST WILL BE FURNISHED TO OFFICES TELEPHONICALLY PRIOR TO ISSUANCE OF RELEASE.

END

NK.. PXL

FBI NEWARK

@

FD-263 (Rev. 9-17-65)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
NEWARK	LOS ANGELES	6/2/66	4/22 - 5/25/66

TITLE OF CASE

[redacted] -
FUGITIVE:
[redacted]
[redacted] - FUGITIVE;
ET AL

RE: [redacted] b6 b7C

TYPED BY: lab

CHARACTER OF CASE

ITWI;
FBW - CONSPIRACY

REFERENCES: Los Angeles teletypes, 5/23/66 and 5/24/66.

-P-

ADMINISTRATIVE:

At the time of the fingerprinting of [redacted] b6 b7C major case prints were obtained. These will be forwarded by separate communication to the Identification Division for comparison with latents developed on evidence seized during the execution of a search warrant on 1/3/66, at [redacted] in connection with the case entitled, "KENNETH HERBERT HANNA, aka, ET AL; ITAR; ITWI; FBW", (OO:Miami) Bufile 165-1990.

A search conducted incidental to arrest was negative.

LEAD:

NEWARK

Case has been: Pending over one year ☐ Yes ☐ No; Pending prosecution over six months ☐ Yes ☐ No

APPROVED | SPECIAL AGENT IN CHARGE

COPIES MADE:
3-Bureau (166-1765)
1-USA, Newark
3-Los Angeles (166-462)
(1-USA, Los Angeles)
1-Miami (Info)
2-Newark (166-553)

DO NOT WRITE IN SPACES BELOW

166 | 553 | STATISTICS

Agent
FS&R
Conv
Fug. 1 [redacted]
Car
Misc.

Dissemination Record of Attached Report				
Agency				
Request Recd.				
Date Fwd.				
How Fwd.				
By				

Notations

SEARCHED INDEXED
SERIALIZED FILED

b6 b7C

[redacted]

NK 166-553

At Newark, N.J. Will follow and report prosecutive action.

INFORMATION: MIAMI

One copy of this report being sent to Miami because of their interest in [redacted] in the [redacted] case. b6 b7C

B*
Cover Page

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1-USA, NEWARK
1-USA, LOS ANGELES

Report of: [redacted] Office: NEWARK, NEW JERSEY
Date: 6/2/66

Field Office File #: 166-553 Bureau File: 166-1765 b6 b7C

Title: [redacted]

Character: INTERSTATE TRANSMISSION OF WAGERING INFORMATION;
FRAUD BY WIRE - CONSPIRACY

Synopsis: Authorized complaint filed 5/24/66, at Los Angeles, California, by SA [redacted] before U.S. Commissioner RUSSELL R. HERMAN and warrant obtained charging subject [redacted] with violation of Title 18, U.S. Code, Section 1084, Interstate Transmission of Wagering Information. [redacted] arrested 5/25/66 at his home, [redacted] Arraigned before U.S. Commissioner JOHN F. CORRIDON, Jersey City, N.J., on 5/25/66, and released in $3,000 bail. b6 b7C

-P-

DETAILS:

On May 24, 1966, an authorized complaint was filed before United States Commissioner RUSSELL R. HERMAN at Los Angeles, California, by SA [redacted] charging [redacted] with violation of Title 18, United States Code, Section 1084, Interstate Transmission of Wagering Information, in that on or about December 22, 1965, [redacted] did receive a telephone call from [redacted] in which bets and wagers and betting and wagering information was obtained. An arrest warrant based on the above-mentioned complaint was issued. b6 b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

FD-302 (Rev. 4-15-64)

FEDERAL BUREAU OF INVESTIGATION

1 Date June 2, 1966

At 10:00 a.m., Special Agents approached the one family dwelling at [redacted] b6 b7C In response to the door bell being rung, a woman appeared and acknowledged that she was [redacted] SA [redacted] identified himself and asked for her husband. She stated that he was in the basement and that she would advise him of the Agents' presence. It was explained that a Federal warrant had been issued for her husband's arrest, whereupon she led the Agents to the basement living quarters where her husband was seated at a table with two small children.

[redacted] acknowledged his identity, greeted the Agents and was informed by SA [redacted] that he was to consider himself under arrest by Special Agents of the Federal Bureau of Investigation. SA [redacted] explained to [redacted] that he was being charged with a violation of the statute pertaining to the interstate transmission of wagering information. He was told that he did not have to say anything, that anything he did say could be used against him in a court of law, that he had a right to consult with an attorney, or anyone else before saying anything, and that if he could not afford an attorney, the court would appoint one for him. [redacted] stated that he understood what was said to him. b6 b7C

In response to a request for his consent to search the premises, [redacted] advised that he would have to refuse until he received advice from his attorney whom he identified as [redacted] of the firm [redacted] b6 b7C

While being transported from his home to the Newark Office of the Federal Bureau of Investigation, [redacted] was asked if he wished to comment on his activities which led to his arrest. To this and other questions, he replied generally that he did not wish to be rude but that he declined to make any comment.

On 5/25/66 [redacted] File Newark 166-553 b6 b7C

by SAS [redacted] and [redacted] /las Date dictated 6/1/66

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

At the Newark Office, [redacted] was photographed, fingerprinted and interviewed for the purpose of obtaining background information. b6 b7C

The following descriptive data was given freely and voluntarily to SA [redacted]

Name

Birth Data

Height
Weight
Hair
Eyes
Scars & Marks
Education

Military Status
Occupation
Employment

Relatives
Wife

Parents

Sisters

Brothers

b6
b7C

The following is an inventory of items in [redacted] possession:

b6
b7C

1. New Jersey Driver's License [redacted] in the name [redacted] - expires July, 1966.

2. New Jersey Motor Vehicle Registration [redacted] for a 1962 Chevrolet, 4 door sedan, green, Serial Number 79994, expires February, 1967. b6 b7C

3. Business card of [redacted]

Written on the face of this card was the following:

A. [redacted]

B.

C.

D.

Written on the back of this card was the following: b6 b7C

A. [redacted]

B.

C.

D.

4. Business card - [redacted]

On May 25, 1966, at approximately 12:50 p.m., [redacted] was arraigned before United States Commissioner JOHN F. CORRIDON, Jersey City, New Jersey. He was released on $3,000 bail. No hearing date was set at this time. b6 b7C

FD-36 (Rev. 5-22-64)

FBI

Date: 5/23/66

Transmit the following in PLAIN
(Type in plaintext or code)

Via TELETYPE URGENT
(Priority)

TO: DIRECTOR (166-1765)
ATTENTION: CRIME RECORDS DIVISION, AND BAC
LOS ANGELES (166-462)

FROM: NEWARK (166-553)

[redacted] ITWI, FBW - CONSPIRACY,

OO: LOS ANGELES.

RE LOS ANGELES TEL MAY TWENTY, [redacted]

INVESTIGATION NEWARK DEVELOPED TWO AUTOS [redacted]

[redacted] ONE OF THESE ~~DEFINITELY~~ OBSERVED AT RESIDENCE AND A SECOND AUTO, NOT IDENTIFIABLE ~~PRESENT~~ IN GARAGE. INDIVIDUAL POSSIBLY IDENTICAL WITH [redacted] OBSERVED WORKING IN BACKYARD. DISCRETION PRECLUDED POSITIVE IDENTIFICATION AT THIS TIME. INVESTIGATION CONTINUING. BUREAU AND LOS ANGELES WILL BE KEPT ADVISED.

b6
b7C

JPW:jcj
(1)

166-553-30

Approved: _____ Sent 6 23 M Per _____
Special Agent in Charge

5/20/66

AIRTEL

TO: DIRECTOR, FBI (166-1765)
(ATTN: CRIME RECORDS DIV.)

FROM: SAC, NEWARK (166-553)

SUBJECT: [redacted] b6 b7C
ET AL
ITAR - GAMBLING; ITWI;
FBW - CONSPIRACY
BUDED 5/23/66

RE: Busirtel, 5/10/66.

Thumbnail furnished by Los Angles airtel, 5/10/66, should be changed to show correct spelling of name as [redacted] rather than [redacted] For the information of the Bureau, birth records show his full name as [redacted] He has no known arrest record. b6 b7C

On 5/19/66, it was determined that a [redacted] Discreet inquiries are being made and, if itis found that [redacted] absence is other than a usual night off, the Bureau and Los Angeles will be advised.

3-Bureau
1-Los Angeles (166-462) (Info)
2-Newark
JPW:lmd
(6)

166-553-31

NEWS RELEASE

FBI AGENTS TODAY DEALT A CRIPPLING BLOW TO THE USERS OF ELECTRONIC DEVICES DESIGNED TO CIRCUMVENT TOLL CHARGES ON LONG-DISTANCE TELEPHONE CALLS BY THE ARREST OF ~~20~~ 16 INDIVIDUALS IN 9 DIFFERENT STATES, ATTORNEY GENERAL NICHOLAS DEB. KATZENBACH ANNOUNCED.

FBI DIRECTOR J. EDGAR HOOVER SAID THE ARRESTS WERE MADE ON THE BASIS OF COMPLAINTS FILED IN LOS ANGELES, CALIFORNIA, BY THE FBI YESTERDAY CHARGING VIOLATIONS OF FEDERAL STATUTES ON THE PART OF INDIVIDUALS IN FLORIDA, MARYLAND, GEORGIA, TENNESSEE, NEW JERSEY, CALIFORNIA, ~~LOUISIANA,~~ NORTH CAROLINA, ~~AND~~ TEXAS AND NEW YORK.

THE COMPLAINTS ALLEGE VIOLATIONS OF THE INTERSTATE TRANSMISSION OF WAGERING INFORMATION STATUTE, THE FRAUD BY WIRE STATUTE AND THE AIDING AND ABETTING OF FRAUD BY WIRE.

MR. HOOVER ADVISED THAT THE ARRESTS TODAY CLIMAXED AN EXTENSIVE AND DETAILED INVESTIGATION BY FBI AGENTS THROUGHOUT THE UNITED

[redacted] was arraigned today before U.S. Commissioner JOHN F. CORRIDON, JERSEY CITY, N.J. and released on $3000. bail SAC Bell Alexander called at 12:00 noon and furnished additional corrections and changes with instructions to release out at 12:10 PM SA [redacted] LA advised 1:00 PM wdj

b6
b7C

166-553-32

SEARCHED INDEXED
SERIALIZED FILED
MAY 25 1966
FBI — NEWARK

STATES. THE VIOLATIONS CHARGED THE USE OF AN ELECTRONIC DEVICE KNOWN AS A MULTIFREQUENCY SIGNAL GENERATOR OR "BLUE BOX," WHICH INSTRUMENT IS USED TO CIRCUMVENT NORMAL BILLING PROCEDURES ON LONG-DISTANCE TELEPHONE CALLS. THE INVESTIGATION DETERMINED THAT THE DEVICE WAS USED BY GAMBLERS AS WELL AS OTHER INDIVIDUALS ATTEMPTING TO CIRCUMVENT COSTS OF INTERSTATE CALLS.

THE FBI DIRECTOR ADVISED THAT THE FOLLOWING INDIVIDUALS ARRESTED WERE CHARGED WITH VIOLATING THE INTERSTATE ~~TRANSMISSION OF WAGERING INFORMATION STATUTES~~ AND, IF CONVICTED, FACE SENTENCES RANGING UP TO $10,000 FINE AND/OR TWO YEARS' IMPRISONMENT.

[redacted] b6 b7C

[redacted] IS ALLEGEDLY ONE OF THE MAJOR BOOKMAKERS IN THE UNITED STATES. HE WAS ARRESTED IN NEW YORK CITY.

HERBERT KAUFMAN, 55, MARRIED, A RESIDENT OF 3600 LABYRINTH ROAD, BALTIMORE, MARYLAND, AND THE OWNER AND OPERATOR OF KAUFMAN REALTY, 1615 WEST NORTH AVENUE, BALTIMORE.

[redacted] b6 b7C

THOMAS MILTON BOYD, 36, MARRIED, A RESIDENT OF 212 ROLLING FORK COURT, NASHVILLE, TENNESSEE, AND A PARTNER IN THE OPERATION OF THE UPTOWN RECREATION CENTER, 415 DEADERICK STREET, NASHVILLE. BOYD IS REPORTEDLY A WELL-KNOWN GAMBLING FIGURE IN NASHVILLE.

[redacted] b6 b7C

LOS AN[redacted]ED

IN T

TH[redacted]

[redacted] b6 b7C

HENRY EDWARD LOMAN, 50, OF R.F.D. #5, BOX 856, WILCOX ROAD, GREENSBORO, NORTH CAROLINA. LOMAN IS NOT KNOWN TO BE CURRENTLY EMPLOYED BUT FORMERLY OPERATED THE GRIDIRON GRILL IN GREENSBORO.

[redacted]

b6
b7C

MR. HOOVER ADVISED THAT THE FOLLOWING INDIVIDUALS WERE CHARGED WITH VIOLATIONS OF THE FRAUD BY WIRE STATUTES AND, IF CONVICTED, FACE SENTENCES RANGING UP TO $1,000 FINE AND/OR FIVE YEARS' IMPRISONMENT:

[redacted] AND [redacted] WHO ARE b6 b7C MENTIONED ABOVE AS ALSO BEING CHARGED WITH VIOLATIONS OF THE INTERSTATE TRANSMISSION OF WAGERING INFORMATION STATUTES.

[redacted] ICES

[redacted] b6 b7C

GRAY HOFFMAN, 40, OF 212 SOUTH ~~MARIPOSA~~ MARIPOSA, BURBANK, CALIFORNIA. HE IS EMPLOYED AS THE MANAGER OF THE KAHR BEARING CORPORATION, 3010 NORTH SAN FERNANDO ROAD, BURBANK.

JOSEPH SOLDIS, 36, OF 4612 SHARYNNE LANE, TORRANCE, CALIFORNIA. HE IS EMPLOYED AS A SALESMAN BY ESCOA CORPORATION, 15519 SOUTH CRENSHAW BOULEVARD, GARDENA, CALIFORNIA.

VIRGIL SALATHIEL, 46, A RESIDENT OF 5055 WALNUT HILL LANE, DALLAS, TEXAS, AND LOS ANGELES, CALIFORNIA. SALATHIEL OPERATES THE TECO WHEEL BALANCING COMPANY, 1005 ARBOR VITAE, INGLEWOOD, CALIFORNIA, WHICH COMPANY ALSO HAS FACILITIES IN DALLAS, TEXAS.

CARL LOVELACE CLEMENT, APPROXIMATELY 55, OF 9336 LEDONA, SEPULVEDA, CALIFORNIA. HE IS MARRIED AND EMPLOYED AS A MANAGER OF ENGINEERS AT THE ESCOA CORPORATION, 15519 SOUTH CRENSHAW, GARDENA, CALIFORNIA.

[redacted] b6 b7C

THE FBI DIRECTOR ADVISED THAT THE FOLLOWING TWO INDIVIDUALS WERE ALSO ARRESTED AND CHARGED IN COMPLAINTS WITH AIDING AND ABETTING FRAUD BY WIRE AND, IF CONVICTED, FACE SENTENCES RANGING UP TO $1,000 FINE AND/OR FIVE YEARS' IMPRISONMENT.

[redacted] b6 b7C

Mr. Hoover advised that [redacted]

[redacted]

b6
b7C

[redacted] was also charged with violation of NFA/and [redacted] by Joint Statute. [redacted] is scheduled to surrender to Federal officials today. Mr. FBI Director also stated that the following individuals were charged in complaints but not taken into custody as yet. They are being sought by the FBI as fugitives:

[redacted]

b6
b7C

[redacted]

b6
b7C

Eugene Anthony NOLAN, 56, married

of 6159 Paris Ave. New Orleans, La.

[redacted]

b6
b7C

b6
b7C

Mr. Hayes advised that all ~~of~~ of the individuals arrested today will be arraigned before a United States Commissioner as soon as possible.

FD-36 (Rev. 5-22-64)

FBI

Date: 6/1/66

Transmit the following in CODE
(Type in plaintext or code)

Via RADIOGRAM URGENT
(Priority)

TO LOS ANGELES (166-462)

FROM NEWARK (166-553)

b6
b7C

[redacted] AKA.-FUGITIVE; ET AL. ITWI;EBW-CONSPIRACY

REURTEL MAY TWENTY SEVEN LAST

INVESTIGATION CONDUCTED UNDER THE KENNETH HERBERT HANNA CAPTION INDICATED THAT AN INDIVIDUAL BELIEVED TO BE [redacted] [redacted] WAS OPERATING AT [redacted] ON DECEMBER SEVENTEEN LAST AND AT [redacted] [redacted] ON DECEMBER TWENTY FOUR LAST.

b6
b7C

LOS ANGELES SHOULD ADVISE IF TESTIMONY WILL BE REQUIRED TO ESTABLISH [redacted] PRESENCE IN AREA DURING PERIOD DECEMBER TWENTY THROUGH TWENTY THREE LAST IN WHICH CASE EFFORTS WILL BE MADE TO SECURE WITNESSES WHO CAN SO TESTIFY.

JPW:hds
(1)

166-553-33

[redacted]

b6
b7C

Approved: _____ Sent 11 46 M Per _____
Special Agent in Charge

FBI LOS ANG.

5-42 PM PDT URGENT 5-27-66 PLS

TO ATLANTA

BALTIMORE

CHARLOTTE

DALLAS

MIAMI

NEWARK

NEW ORLEANS

FROM LOS ANGELES (166-462)

ALVIN KENNETH BUBIS, AKA - FUGITIVE; ET AL, ITWI; FBW - CONSPIRACY.

RE MY TEL TO BUREAU MAY TWENTY FOUR LAST.

ALL OFFICES ARE REQUESTED TO ADVISE IF IT CAN BE DETERMINED THAT SUBJECTS WITHIN YOUR DIVISION WERE LOCATED IN THEIR RESIDENCE CITIES DURING PERIOD DECEMBER TWENTY THROUGH TWENTY THREE LAST. SUTEL RESULTS TO LOS ANGELES BY JUNE ONE NEXT.

END

AT... JDW

FBI ATLANTA

BA REM

FBI BALTO

CE HVA

FBI CHARLT

NK DND

FBI NEWARK

CLR3R@@ [@@"

166-553-3E

SEARCHED ..... INDEXED .....
SERIALIZED ..... FILED .....
MAY 27 1966
EWARK

b6
b7C

FD-36 (Rev. 5-22-64)

FBI

Date: 5/25/66

Transmit the following in _____
(Type in plaintext or code)

Via TELETYPE URGENT
(Priority)

TO: DIRECTOR (166-1765), LOS ANGELES (166-462) AND NEW YORK (NEW YORK VIA WASHINGTON)

FROM: NEWARK (166-553)

[redacted]

[redacted] - FUGITIVE, ETAL, ITAR - GAMBLING; ITWP; FBW - CONSPIRACY.

RENNEWARK TEL CALLS AND NEW YORK TEL CALL TODAY.

[redacted] ARRESTED AT RESIDENCE, [redacted]

[redacted] WITHOUT INCIDENT. SEARCH INCIDENTAL TO ARREST NEGATIVE. [redacted] ARRAIGNED BEFORE U. S. COMMISSIONER JOHN F. CORRIDON, JERSEY CITY, NJ, TODAY AND RELEASED ON THREE THOUSAND DOLLAR BAIL.

b6
b7C

WEG:pan

(1)

166-553-35

[redacted]

b6
b7C

Approved: _____ Sent 3:50P M Per _____
Special Agent in Charge

FBI LOS ANG.

1209 PM PDT URGENT 6-1-66 SMZ

TO ATLANTA, BALTIMORE (166-447), CHARLOTTE (162-185), MEMPHIS,

MIAMI (166-359), NEWARK, NEW ORLEANS

FROM LOS ANGELES (166-462)

[redacted] - FUGITIVES ET AL, ITWI; FBI - CONSPIRACY. b6 b7C

ALL OFFICES REQUESTED TO REVIEW TOLL CALLS IN FILE THEIR RESPECTIVE SUBJECTS THIS MATTER TO DETERMINE IF THERE IS COMMON TELEPHONE TRAVEL BETWEEN OTHER SUBJECTS INVOLVED PARTICULARLY DURING DECEMBER LAST. AUSA, LOS ANGELES, REQUESTS INFORMATION TO ROUND OUT POSSIBLE CONSPIRACY ALL SUBJECTS.

SUTEL RESULTS LOS ANGELES. MIAMI EXCLUDE [redacted] AND [redacted] b6 b7C

END

OTHER OFFICES ALREAD ADVISED

AT...MRB

FBI ATLANTA

BA...WJH

FBI BALTO

CE...BGD

FBI CHARLT

NK...RAJ

FBI NEWARK

TU CLR

166-553 36

SEARCHED ..... INDEXED .....
SERIALIZED ..... FILED .....
JUN 1 1966
FBI — NEWARK

FD-36 (Rev. 5-22-64)

FBI

Date: 6/2/66

Transmit the following in PLAIN TEXT
(Type in plaintext or code)

Via TELETYPE URGENT
(Priority)

TO LOS ANGELES (166-462)

FROM NEWARK (166-553)

b6
b7C

[redacted]-FUGITIVE; ETAL; ITWI;FBW-CONSPIRACY

REURTEL JUNE ONE LAST.

EXAMINATION OF DECEMBER, SIXTY FIVE, TOLL RECORDS FOR [redacted] RESIDENCE AND FOR APARTMENTS IN [redacted] [redacted] WHERE HE IS BELIEVED TO HAVE ENGAGED IN GAMBLING ACTIVITY, SHOWS NO OUT OF STATE CALLS FROM LATTER TWO LOCATIONS. FROM RESIDENCE THERE WERE TWO CALLS ON DECEMBER SECOND TO [redacted] [redacted] AND ONE ON DECEMBER SIX TO [redacted] [redacted] THIS NUMBER APPEARED ON BUSINESS CARD OF [redacted] [redacted] IN [redacted] POSSESSION WHEN ARRESTED MAY TWENTY FIVE. [redacted] CLAIMED HE HAS CONSULTED [redacted] PROFESSIONALLY FOR SINUS TROUBLE.

b6
b7C

[redacted]

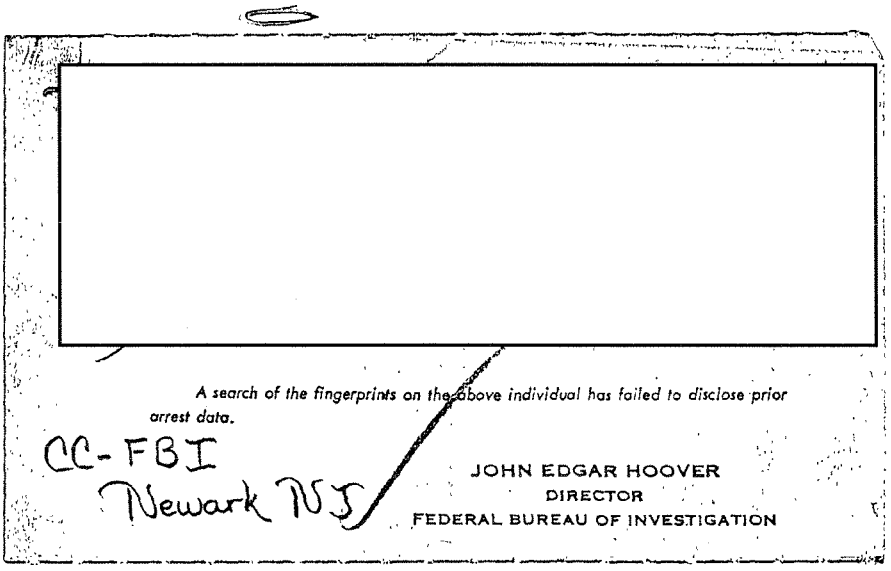
JPW:hds
(1)

166-553-37

[redacted]

b6
b7C

Approved: _____ Sent 4:45 P M Per _____
Special Agent in Charge



b6
b7C

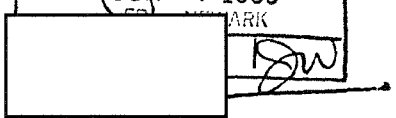
A search of the fingerprints on the above individual has failed to disclose prior arrest data.

CC- FBI
Newark NJ

JOHN EDGAR HOOVER
DIRECTOR
FEDERAL BUREAU OF INVESTIGATION

166-553-38

SEARCHED M INDEXED
SERIALIZED FILED
JUN 7 1966
FBI NEWARK



b6
b7C

C-4

FBI LOS ANG.

7:43PM PDST U R G E N T 6/2/66 VLB

TO: DIRECTOR (166-1765), ATLANTA (166-182), BALTIMORE (166-447), CHARLOTTE (162-185), DALLAS, MEMPHIS (166-329), MIAMI (166-359), NEWARK (166-553), NEW ORLEANS (168-87) AND NEW YORK

FROM: LOS ANGELES (166-462) /2 PAGES/

[redacted] - FUGITIVE. ET AL. ITWI. FBW - CONSPIRACY. OO: LOS ANGELES.

b6
b7C

RE LOS ANGELES TEL TO BUREAU MAY TWENTY-FIVE LAST.

FOR INFO BUREAU AND ALL OFFICES FACTS THIS MATTER PRESENTED FGJ, LOS ANGELES THIS DATE (6/2/66) AND THE FOLLOWING INDICTMENTS RETURNED.

(ONE) FIVE COUNT INDICTMENT CHARGING [redacted] AND [redacted] WITH VIOLATION SECTIONS ONE ZERO EIGHT FOUR AND TWO, TITLE EIGHTEEN, USC.

10844

(TWO) TWO COUNT INDICTMENT SECTIONS ONE ZERO EIGHT FOUR AND TWO AGAINST [redacted] AND [redacted]

(THREE) ONE COUNT INDICTMENT SECTIONS ONE ZERO EIGHT FOUR AND TWO AGAINST LOMAN, [redacted] AND [redacted]

b6
b7C

(FOUR) FIVE COUNT INDICTMENT SECTIONS ONE ZERO EIGHT FOUR AND TWO AGAINST NOLAN, [redacted] AND [redacted]

(FIVE) SIX COUNT INDICTMENT CHARGING ONLY ONE ZERO EIGHT FOUR AGAINST [redacted] AND [redacted] NOT INCLUDED THIS INDICTMENT).

END PAGE ONE

U.S.C. JOHN F. CORRIDON ADVISED OF INDICTMENT 9:10 AM 6/3/66.

166-553-40

SEARCHED ..... INDEXED .....
SERIALIZED ..... FILED .....
JUN 2 1966
FBI — NEWARK

b6
b7C

(SIX) SIX COUNT INDICTMENT CHARGING ONE ZERO EIGHT FOUR AND TWO ON [redacted] AND [redacted]

FOR CLARIFICATION ABOVE FACTS RELATE TO SIX SEPARATE INDICTMENTS AS OVER-ALL CONSPIRACY CASE NOT EXISTENT IN OPINION AUSA LALLY. b6 b7C

FOR INFO BUREAU THE FBW COUNTS AGAINST [redacted] AND VIRGIL SALATHIEL TO BE PRESENTED FGJ LOS ANGELES JUNE SIX NEXT.

AS BUREAU AWARE FACTS RE [redacted] AND OTHERS TO BE PRESENTED FGJ MONDAY AND TUESDAY JUNE SIX AND SEVEN NEXT.

FACTS RE FBW SUBJECTS ARRESTED LOS ANGELES TO BE PRESENTED FGJ, LOS ANGELES JUNE EIGHT NEXT.

FOR INFO ALL OFFICES GENERAL LANGUAGE OF COMPLAINTS CHARGED ALL WITH ON OR ABOUT DECEMBER TWENTY LAST BEING ENGAGED IN THE BUSINESS OF BETTING AND WAGERING, KNOWINGLY USED OR RECEIVED A WIRE COMMUNICATION FACILITY TO TRANSMIT IN INTERSTATE COMMERCE BETWEEN SOUTHERN DISTRICT OF CALIFORNIA (AND YOUR RESPECTIVE AREA) INFORMATION ASSISTING IN THE PLACING OF BETS AND WAGERS.

ALL RECEIVING OFFICES NOTIFY RESPECTIVE U. S. COMMISSIONER'S THAT INDICTMENTS RETURNED THIS DATE.

INVESTIGATION CONTINUING.

OTHER OFFICES TO BE ADVISED.

END

AT---JDW

FBI ATLANTA

BA---CJR

FBI BALTO

END PAGE TWO

DL---FLLL

FBI DALLAS

ME---GHC

FBI MEMPHIS

MM---PJR

FBI MIAMI

NK---TJH

FBI NEWARK

NO---OLP

FBI NEW ORLS

AND I TU VM MEN O

FD-263 (Rev. 5-1-59)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
LOS ANGELES	LOS ANGELES	6/8/66	3/23 - 6/2/66

TITLE OF CASE

"CHANGED"

[redacted] - FUGITIVE;

[redacted]

[redacted] - FUGITIVE;

THOMAS MILTON BOYD

[redacted] - FUGITIVE;

HERBERT KAUFMAN

[redacted] - FUGITIVE;

HENRY E. LOMAN

[redacted] - FUGITIVE;

EUGENE ANTHONY NOLAN

[redacted] - FUGITIVE;

REPORT MADE BY [redacted] TYPED BY mjg

CHARACTER OF CASE

ITWI; FBW

b6
b7C

b6
b7C

b6
b7C

APPROVED SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

COPIES MADE:

(CONTINUED ON COVER PAGE B)

Newark (166-553)

166-553-4/1

SEARCHED INDEXED

SERIALIZED

JUN 13 1966

[redacted]

b6
b7C

Dissemination Record of Attached Report				
Agency				
Request Recd.				
Date Fwd.				
How Fwd.				
By				

Notations

LA 166-462

[redacted] - FUGITIVE;
[redacted] - FUGITIVE

b6
b7C

[redacted] - FUGITIVE;
[redacted] - FUGITIVE

---

3 - Bureau (166-1765)
1 - USA, Los Angeles
(Att: AUSA JOHN LALLY)
3 - Atlanta (166-182)
(1 - USA, Atlanta)
3 - Baltimore (166-447)
(1 - USA, Baltimore)
3 - Charlotte (162-185)
(1 - USA, Charlotte)
3 - Dallas (166-241)
(1 - USA, Dallas)
3 - Memphis (166-329)
(1 - USA, Memphis)
3 - Miami (166-359)
(1 - USA, Miami)
3 - Newark (166-553)
(1 - USA, Newark)
3 - New Orleans (168-87)
(1 - USA, New Orleans)
3 - New York (166-112)
(1 - USA, New York)
2 - Los Angeles (166-462)

LA 166-462

Title is marked "Changed" to reflect the identity of the defendants as set out in indictments.

REFERENCES: Los Angeles teletypes to Bureau dated 3/23/66; 5/24/66 and 5/25/66.

-P-

ADMINISTRATIVE:

This report is being submitted reflecting investigation and prosecutive progress concerning all individuals who were initially involved with [redacted] b6 b7C

The Los Angeles Division is opening separate cases on the defendants as set out in the title of this report and in the future reports and communications will be in those pertinent files.

The identity of Special Agents of the Los Angeles Division who were complainants before the U. S. Commissioner, Los Angeles on 5/24/66, are identified as follows:

Complaints filed by SA [redacted] for [redacted] charging ITWI and EUGENE ANTHONY NOLAN charging ITWI.

Complaints filed by SA [redacted] for HERBERT KAUFMAN, ITWI; [redacted] ITWI; [redacted] FBW and [redacted] Aiding and Abetting FBW. b6 b7C

Complaints filed by SA [redacted] for [redacted] ITWI and FBW; HENRY E. LOMAN, ITWI; THOMAS MILTON BOYD, ITWI and [redacted] ITWI.

It should be noted that 11 other individuals were arrested on 5/25/66, all of whom had been involved in the use of the "blue box" and consequent FBW charges ensued.

-C-
COVER PAGE

LA 166-462

The following are included in this group:

[redacted]
GRAY HOFFMAN
JOSEPH SOLDIS
CARL LOVELACE CLEMENT
[redacted]
VIRGIL SALATHIEL (who was arrested in Dallas, Texas)
[redacted]
[redacted] (who was arrested in Miami, Florida)
[redacted] (who was arrested in Miami, Florida)

b6
b7C

LEAD

LOS ANGELES OFFICE

AT LOS ANGELES, CALIFORNIA. Will follow and report prosecutive action.

NO ADDITIONAL SERIALS TO BE PLACED IN THISSECTION

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

Serial Description ~ COVER SHEET

Total Deleted Page(s) ~ 11
Page 5 ~ b6, b7C, b7D
Page 6 ~ b6, b7C, b7D
Page 7 ~ b6, b7C, b7D
Page 8 ~ b6, b7C, b7D
Page 9 ~ b6, b7C, b7D
Page 10 ~ b6, b7C, b7D
Page 11 ~ b6, b7C, b7D
Page 12 ~ b6, b7C, b7D
Page 18 ~ b6, b7C
Page 50 ~ b6, b7C
Page 51 ~ b6, b7C

XXXXXXXXXXXXXXXXXXXXXXX
X Deleted Page(s) X
X No Duplication Fee X
X for this Page X
XXXXXXXXXXXXXXXXXXXXXXX

-245a 2
ev. 12-23-93)

NEWARK

"FIELD FILE"

DO NOT FILE AT FBI HEADQUARTERS!

D - 24 (REV. 4-13-60)

U. S. Department of Justice

(MATERIAL MUST NOT BE REMOVED FROM OR ADDED TO THIS FILE)

5/16/66-

CLASSIFICATION NO. (4939)

166-553

0434

FEDERAL BUREAU

of

[redacted]

INVESTIGATION

Bureau File Number 166-1765

Serials 42-44

Volume Number II

Do Not Destroy - Pending Litigation 8/15/77

Case Dismissed 8/18/86 AD

[redacted]

See also Nos.

Closed 8-5-70

[redacted]

"X" DO NOT DESTROY, HISTORICAL VALUE NATIONAL ARCHIVES.

DO NOT DESTROY

C4

FOIPA # 1074714

b6
b7C

18-18048

[redacted]

[redacted]

E STRIPTEE 10-14-62

NK 166-553

b6
b7C
b7D

The above information can only be made public by the issuance of a subpoena duces tecum. This subpoena should be directed to [redacted] or his authorized representative.

6/9/66

AIRTEL AIR MAIL

TO: SAC, NEWARK

FROM: SAC, LOS ANGELES (166-607)(P)

RE: [redacted] b6 b7C

ITWI; FBW
OO: LOS ANGELES

Re Newark rad to Los Angeles dated 6/1/66, captioned, [redacted] - FUGITIVE; Et al. ITWI. FBW-CONSPIRACY".

The Newark Division is requested to secure witnesses who can testify that [redacted] was present at [redacted] on 12/20 - 23/65, where Telephone Nos. [redacted] and [redacted] were located, listed to [redacted] b6 b7C

Will exhibit photograph of [redacted] to determine if he can be identical with [redacted]

(2) - Newark
2 - Los Angeles
TLD/mjg
(4)

166-553-43

JUN 13 1966

mjg

New File No. 166-553
FBI File No. 166-1990
Latent Case No. 64617

June 10, 1966

RE: [redacted]

b6
b7C

Nine latent fingerprints and three latent palm prints developed on the following previously submitted specimens are identical with finger and palm prints of [redacted]

One palm print on inside portion of matchbox
Three fingerprints and one palm print on pink telephone, [redacted]
Four fingerprints on white telephone, [redacted]
One fingerprint and one palm print on front page of 12-17-65, New York Herald Tribune
One fingerprint on page twenty-five, of 12-17-65, New York Herald Tribune

b6
b7C

The finger and palm prints of [redacted] are being retained in the Identification Division of the FBI.

166-553 - 44

SEARCHED ____ INDEXED ____
SERIALIZED ____ FILED ____
JUN 13 1966
FBI—NEWARK

BEST AVAILABLE COPY

I-336 (Rev. 12-10-63)

FEDERAL BUREAU OF INVESTIGATION

Washington, D. C. 20537

REPORT

of the

IDENTIFICATION DIVISION

LATENT FINGERPRINT SECTION

YOUR FILE NO. 166-663
FBI FILE NO. 166-1990
LATENT CASE NO. 64617

June 10, 1966

TO: SAC, Newark

RE: KENNETH HERBERT HANNA, AKA
ITWI, FBW

REFERENCE: Letter 6-1-66
EXAMINATION REQUESTED BY: Newark
SPECIMENS: Major case prints of [redacted]

b6
b7C

See attached page for the results of comparisons of nine latent fingerprints and three latent palm prints previously reported this case. Major case prints of [redacted] not identical remaining latent finger and palm prints previously reported this case or with latent fingerprints previously reported in case entitled [redacted] Et Al, ITWI, FBW - Conspiracy," Bufile 166-1765, Latent Case #66676.

Major case prints retained.

1 - Los Angeles (166-462)
1 - Miami (166-599)
1 - Newark (166-553)

166-553-45

[redacted]

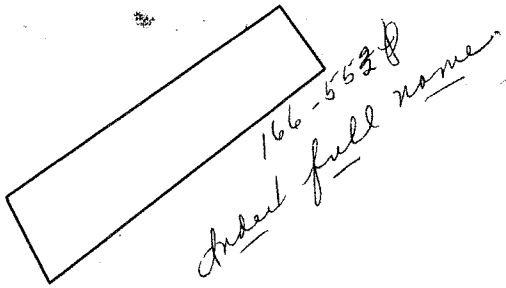
ENCLOSED ____ INDEXED ____
SERIALIZED ____ FILED ____
JUN 13 1966
FBI — NEWARK

b6
b7C

J. Edgar Hoover

John Edgar Hoover, Director

THIS REPORT IS FURNISHED FOR OFFICIAL USE ONLY



166-553 ?
Need full name

166-553-46

SERIALIZED
SERIALIZED
JUN 15 1966

b6
b7C

File - Serial Change Out
FD-5 (Rev. 12-[illegible]0)

File _____ _____ _____ Date _____
Class. Case No. Last Serial

☐ Pending ☐ Closed

Serial No.	Description of Serial	Date Charged
47	THIS SERIAL IS NOW SERIAL 11	
	of 165-687	
	DO NOT REMOVE	

_____
Employee

RECHARGE Date _____

To _____ From _____

_____
Date charged

_____
Employee

_____
Location

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, NEWARK (166-553) DATE: 6/21/66

FROM : ASAC KARL L. BROUSE

SUBJECT: [redacted] b6 b7C
ITWI

On 6/20/66, [redacted] Special Agent in Charge, ATTD, called re captioned subject, advising that he had learned that [redacted] had flown to Antigua, BWI, on Wednesday, 6/8/66, on British West Indies Airlines Flight 421. His information is that [redacted] will remain there and intends to fly to an unknown destination on the West Coast 6/22/66.

[redacted] said that [redacted] had been placed under a high bond following his arrest in New York City by the FBI and at one point was not permitted to leave the country He did not know whether [redacted] had approval to go and thought the above information might be of interest to us. He said possibly his source can determine how [redacted] is travelling to the West Coast and his specific destination. b6 b7C

I advised [redacted] that I would check on the matter and that if we were interested in any additional information, he would be contacted.

Above for record purposes.

[redacted] b6 b7C

Supv [redacted] was advised of above on 6/20. He indicated NYS A had been previously advised of above but could not locate [redacted]

KLB:ets
(1)

166-553-48
SEARCHED ..... INDEXED .....
SERIALIZED ..... FILED .....
JUN 21 1966
FBI — NEW YORK

[redacted] b6 b7C

5010-108

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

FD-36 (Rev. 5-22-64)

F B I

Date: 6/21/66

Transmit the following in _____ (Type in plaintext or code)

Airtel

Via _____ (Priority)

TO: SAC, NEWARK (166-553)

FROM: SAC, NEW YORK (166-1192)

SUBJECT: [redacted] b6 b7C

ITAR - GAMBLING

When arrested 5/25/66 by Bureau Agents in NYC, [redacted] nation-wide layoff gambler, had the following New Jersey telephone numbers and notations in his address book:

[redacted] b6 b7C

[redacted] is believed to be working under [redacted] New York LCN number, and manages the gambling casino at [redacted]

Newark is requested to identify subscribers to these numbers and advise LA and NY of indices check.

2 - Newark
1 - Los Angeles (166-462) (Info)
1 - New York

JLS:sbh
(5)

[redacted] b6 b7C

66-553-49

JUN 23 1966

have these been identified

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

6/21/66

Airtel

To: SAC, Los Angeles (166-462)

From: Director, FBI (166-1765)

[redacted] b6 b7C

RF AL
FWI; FBM

Reurad airtel to Bureau 6/21/66.

Los Angeles Office will not forward to the Miami Division the material being prepared that is to be turned over to the Defense Attorney, Benjamin Cohen of Miami. Instead, Los Angeles Office will deliver this material to ASAC Lally so that ASAC Lally can forward this material to SAC, Miami. SAC, Miami, can handle the delivery of this material to Defense Attorney [redacted]

Los Angeles Office will make a complete inventory of all material that is turned over to ASAC Lally so that no possible question can arise in the future as to what material was delivered to him and ultimately to Defense Attorney [redacted] b6 b7C

This procedure has been discussed with Departmental Attorney Edward P. Joyce, and should any question arise with regard to this procedure, Mr. Lally should consult with Mr. Joyce.

1 - Atlanta (166-182) (info)
1 - Baltimore (166-447) (info)
1 - Charlotte (166-1[illegible]) (info)
1 - Memphis (166-[illegible]) (info)
1 - Miami (166-[illegible]) (info)
1 - New York (166-113) (info)
1 - Newark (166-[illegible]) (info)
1 - New Orleans (18-87) (info)

166-553-50

JUN 27 1966

[redacted] b6 b7C

w action 6/25/66 DG

BEST COPY AVAILABLE

June 28, 1966

Airtel

TO: SAC, Los Angeles (166-607)

FROM: Director, FBI (166-1765)

[redacted]

b6
b7C

ITWI; FBW
(OO: LOS ANGELES)

Re Newark Airtel 6/23/66 regarding investigation to secure witnesses who can testify that [redacted] was present at [redacted] 12/20-23/65 and suggesting that consideration be given to a voice analysis and comparison of voices on certain tape recordings to identify [redacted]

Your attention is directed to SAC Letter 65-8 dated 2/23/65, Section (A) Voice Identification. As pointed out, the Laboratory will conduct voice analysis and comparison examinations as an investigative aid in Bureau cases. The technique is still considered to be in the experimental stages and it is not sufficiently authenticated by quantitative tests and experience to serve as a unique means of identification with subsequent court testimony to that effect. For this reason, this type of examination should not be requested except where the results are to be used for investigative guidance and are not required for court testimony.

2 - Newark (166-553)
2 - Miami (166-502)

166-553-51

SEARCHED ..... INDEXED .....
SERIALIZED ..... FILED .....
JUN 29 1966
FBI - NEWARK

[redacted]

b6
b7C

SAC, MIAMI

6/30/66

SAC, LOS ANGELES (166-462)(P)

[redacted] b6 b7C

ET AL
ITSMI; FSW
OO: LOS ANGELES

166-55 3 8

Re New York airtel to Los Angeles dated 6/24/66.

Referenced airtel enclosed copies of FD 302 dated 6/14/66, listing long distance calls charged to [redacted] room while registered at the Warwick Hotel prior to his arrest on 5/25/66. New York has requested Newark only to identify New Jersey subscribers. b6 b7C

Inasmuch as [redacted] normally resides in Miami, Florida, a copy of this FD 302 is being forwarded to the Miami Division for their information.

Should Newark and/or New York develop additional information concerning the subscribers to the New Jersey telephone numbers, it should be forwarded to Miami.

2 - Miami (ENCL.1)
1 - New York (info)
1 - Newark (info)
3 - Los Angeles
(1 - 92-500)
TLR/mjc
(7)

166-333-52

SEARCHED INDEXED
SERIALIZED FILED
1966
FBI

[redacted] b6 b7C

C4

6/21/66

AIRTEL AIR MAIL

TO: DIRECTOR, FBI (166-1765)

FROM: SAC, LOS ANGELES (166-462)

RE: [redacted] b6 b7C
ET AL
ITWI; FBW
OO: LOS ANGELES

Re report of SA [redacted] dated 6/8/66, at Los Angeles.

Defendants [redacted] KAUFMAN, LOMAN, NOLAN, [redacted] and [redacted] all pled not guilty to charges on 6/20/66, in U. S. District Court, Los Angeles, Judge CHARLES H. CARR presiding. Court ordered that motions to suppress evidence, [redacted] be heard on a.m. of 8/1/66, and if motion denied, trial will commence on the p.m. of 8/1/66. The Government was ordered by the court to provide defense counsel [redacted] of Miami with all affidavits and copies of all evidence which will be utilized in trial 20 days before trial date. Court further ordered that any evidence not so provided defense at this time, would not be admitted in his court at trial. b6 b7C b7D

3 - Bureau
2 - Atlanta (166-182)(AM)
2 - Baltimore (166-447) (AM)
2 - Charlotte (162-185) (AM)
2 - Memphis (166-329)(AM)
2 - Miami (166-359)(AM)
1 - New York (166-112)(info) (AM)
(2) - Newark (166-553)(AM)
2 - New Orleans (168-87)(AM)
2 - Los Angeles
TLD/mjg
(20)

166-553-53
SEARCHED ..... INDEXED .....
SERIALIZED ..... FILED .....
JUN 2 3 1966
FBI — NEWARK

Los Angeles is preparing copies of [redacted] pertaining to gambling matters and will forward them, together with copies of other evidence, to the Miami Division to be delivered to Attorney [redacted] has stated to AUSA LALLY, Los Angeles that he will personally arrange for distribution to other defense attorneys as required. b6 b7C b7D

THOMAS MILTON BOYD to be arraigned on 8/22/66, however, possibility exists that he may be joined in hearings to be conducted on 8/1/66.

AUSA LALLY advised that he has been unable to obtain continuance in the FBW matters pertaining to other subjects arrested in the Los Angeles area who were charged with the manufacture of or use of blue boxes. He also advised that he has dismissed the complaints against them pending disposition of the ruling involving [redacted] and the findings that the use of electronic equipment to defraud the telephone company did not fall within the FBW statute. AUSA LALLY has requested the Department's opinion in appealing this ruling. Should a favorable decision be made on the appeal, AUSA LALLY contemplates subsequent prosecution of these cases. b6 b7C

This list includes GRAY HOFFMAN, [redacted] JOSEPH SOLDIS, CARL CLEMENT, [redacted] and [redacted]

The complaint against [redacted] has previously been dismissed as he was fully cooperative and is considered a Government witness. b6 b7C

The complaint against [redacted] who is currently out of the country, has not been dismissed and VIRGIL SALATHIEL is scheduled to be arraigned on one FBW charge on 6/27/66.

All property obtained from [redacted] at

the time of his arrest in New York City, New York by Agents on 5/25/66, was returned to [redacted] in Los Angeles on 6/20/66, and appropriate receipt obtained. b6 b7C

The Bureau will be kept advised of the developments in this matter.

FD-36 (Rev. 5-22-64)

F B I

Date: 6/23/66

Transmit the following in _____ (Type in plaintext or code)

Via AIRTEL _____ (Priority)

TO: DIRECTOR, FBI (166-1765)

FROM: SAC, NEWARK (166-553)

SUBJECT: [redacted] b6 b7C

ITWI; FBW
(OO: LOS ANGELES)

Re LA airtel dated 6/9/66 requesting NK to secure witnesses who can testify that [redacted] was present at [redacted] on 12/20-23/65.

LA should refer to NK airtel dated 4/8/66 in LA file 166-462 which included FD-302's setting forth results of interviews with [redacted] and his [redacted] on 1/24/66.

[redacted] was recontacted on 6/16/66. He stated that he had no additional information regarding [redacted] apartments from 12/1/65 to 1/8/66. [redacted] observed a photograph of [redacted] taken in connection with his arrest on 5/25/66. He stated that he could not identify it as being of the man he observed in the apartment on 1/8/66. He pointed out that he met [redacted] for the first time on that date and that the circumstances of that meeting were rather hectic since [redacted] believed the premises to be on fire at the time. b6 b7C

[redacted] advised that the clerical employee who negotiated [redacted] was his [redacted]

[redacted] advised that it is her recollection that the third floor apartment at [redacted] was rented [redacted] to an individual who appeared in answer to a newspaper advertisement about 12/1/65. [redacted] met this person only one time and the negotiations for the furniture which followed were conducted by telephone. b6 b7C

166-353-54

3-Bureau
2-Los Angeles(166-607)
~~2-Miami (165-592) (166-359)~~
2-Newark
(1-166-663)

JPW/mpb
(11)

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

C4

She said she cannot recall receiving a second rental payment from the tenant and can only assume that he dropped it in the office mail slot.

[redacted] observed a photograph of [redacted] and stated that she could not identify it as being of the man to whom [redacted] rented the apartment. She said it was her general impression that the tenant gave the appearance of being somewhat younger than [redacted] appears to be in his picture.

b6
b7C

Also on 6/16/66, [redacted] observed the photograph of [redacted] She stated that it appeared familiar to her, however, she could not identify it as being of the person who occupied the [redacted] apartment. She noted that she had had only a few brief glimpses of the tenant and had no reason to be aware of his features or his periods of occupancy.

In an effort to locate a witness who may have seen [redacted] at [redacted] his photograph was displayed to the following neighbors, with negative results:

[redacted]

b6
b7C

It should be noted that the Identification Division has identified a palm print found on a matchbox as being that of [redacted] This item was among the material obtained from the [redacted] apartment on 1/24/66. Included was a copy of the "New York Herald Tribune" dated 12/24/65.

b6
b7C

On 1/8/66, during execution of a search warrant at [redacted] a copy of the "New York Herald Tribune" dated 12/17/65 was seized. [redacted] prints were found on this newspaper.

It is probable that [redacted] transferred his operations from [redacted] to [redacted] on or about 12/13/65.

As reported by the Miami Division in the case entitled "KENNETH HERBERT HANNA, aka ITAR; ITWI; FBW,(BUFILE 165-1990)", [redacted] b6 b7C compiled a list of elephone numbers contacted with the use of a toll defeating device between the dates of 11/24/65 and 12/21/65.

On the list was [redacted] one of the [redacted] telephones.

Also on the list were [redacted] and [redacted] located at [redacted] prints were located on both instruments using these numbers.

It is suggested that an examination of [redacted] notes may provide an ending date for calls to the Jersey City location and a beginning date for calls to the Union City location which may fall within the period 12/20-23/65 and support the contention that [redacted] was present at [redacted] during this period. b6 b7C b7D

In addition, Miami obtained [redacted] at the Jersey City location. LA has [redacted] at the Union City location.

It is suggested that consideration be given to a voice print analysis of this material in an effort to identify [redacted] as [redacted]

8/11/66

PLAIN

TELETYPE URGENT

TO: DIRECTOR, FBI (166-1765)
SAC, MIAMI

FROM: SAC, LOS ANGELES (166-462)

166-553*

[redacted] ET AL. ITWI; FBW.

RE LOS ANGELES TELETYPE TO THE BUREAU DATED JULY TWENTY-SIX AND TWENTY-EIGHT, LAST. b6 b7C

SUPERSEDING INDICTMENTS REGARDING [redacted] [redacted] KAUFMAN, NOLAN, AND [redacted] RETURNED THIS DATE BY FEDERAL GRAND JURY, LOS ANGELES. NEW INDICTMENTS WILL CONTAIN WORDS "WILLFULLY CAUSED" IN AIDING AND ABETTING COUNTS.

ATLANTA, NEW ORLEANS, BALTIMORE, AND NEWARK ADVISED AIR MAIL.

1 - Atlanta (AM)
1 - New Orleans (AM)
1 - Baltimore (AM)
1 - Newark (AM)
1 - 166-462

TLD:llm
(5)

No Immed Action Req'd

166-553-55

~~166-553-56~~

[redacted] b6 b7C

C4-

8/29/66

AIRTEL AIR MAIL

TO: DIRECTOR, FBI (166-1765)

FROM: SAC, LOS ANGELES (166-462)(P)

RE: [redacted]

b6
b7C

[redacted]
THOMAS MILTON BOYD

[redacted]
HERBERT KAUFMAN

3 - Bureau (166-1765)
2 - Atlanta (166-182)(AM)
(165-21)
1 - Baltimore (166-447)(AM)
1 - Charlotte (162-185)(AM)
1 - Memphis (166-329)(AM)
1 - Miami (166-359)(AM)
1 - Newark (166-553)(AM)
1 - New Orleans (168-87)(AM)
11 - Los Angeles
(2 - 166-462)
(1 - 166-607)
(1 - 166-608)
(1 - 166-609)
(1 - 166-610)
(1 - 166-611)
(1 - 166-612)
(1 - 166-613)
(1 - 166-614)
(1 - 165-1592)

TLD/mjg
(22)

166-553-56

[redacted]
SEARCHED ..... INDEXED .....
SERIALIZED ..... FILED .....
AUG 3 1 1966
FBI - NEWARK

b6
b7C

Read at natt conf.

24-

LA 166-462

[redacted]
HENRY E. LOMAN

[redacted]
EUGENE ANTHONY NOLAN

[redacted] b6 b7C

[redacted]

[redacted]

INTERSTATE TRANSMISSION OF WAGERING INFORMATION;
FRAUD BY WIRE

AUSA JOHN LALLY, Los Angeles, on 8/24/66, advised that a Notice of Appeal by defense counsel in the case captioned, [redacted] HENRY E. LOMAN" was filed on 8/19/66. As previously advised, charges against [redacted] were dismissed because of defective indictment and a directed verdict of acquittal was granted in favor of LOMAN based on the Government's failure to establish him in the business of wagering and betting. [redacted] received 1 year suspended sentence; $2,000 fine, and 1 year probation. b6 b7C

AUSA LALLY advised that the remaining cases were off calendar pending the results of this appeal.

With reference to the Fraud By Wire violations, AUSA LALLY advised there would be no further action until the Government's appeal to the Supreme Court on the applicability of the Fraud By Wire statute to the use of the electronic device known as the Blue Box was adjudicated.

LA 166-462

This appeal is based on a ruling in U. S. District Court, Los Angeles in the matter of [redacted] b6 b7C to the effect that his using the Blue Box to circumvent the normal billing procedures of the telephone company did not fall within the Fraud By Wire statute. This ruling was rendered by U. S. District Judge IRVING HILL.

The Bureau and pertinent offices will be advised of developments.

OFFICE MEMORANDUM
UNITED STATES GOVERNMENT

TO: DIRECTOR, FBI (166-1765) DATE: 8/31/66

FROM: SAC, NEWARK (166-553)

SUBJECT: [redacted] b6 b7C

ITAR-GAMBLING

RE: New York airtel to Newark 6/21/66

Enclosed for New York and Los Angeles are 10 copies each of an FD-302 naming subscribers to New Jersey telephone numbers which appeared in an address book belonging to [redacted] when arrested by Bureau Agents in New York City, on 5/25/66.

For the benefit of the Bureau, Las Vegas, and Miami, the following information from Newark files is set out under headings in accordance with notations in [redacted] book. b6 b7C

201-224-2141 [redacted]

Subscriber to this number is A A ADJUSTERS, 2 Horizon Road, Fort Lee, New Jersey.

3 - Bureau
(1 - [redacted])
2 - New York (166-1192) (Encs. 10)
(1 - [redacted])
2 - Los Angeles (166-462) (Encs. 10)
2 - Miami (166-359)
(1 - [redacted]) b6 b7C
2 - Las Vegas
(1 - [redacted])
5 - Newark
(1 - [redacted])
(1 - [redacted])
(1 - [redacted])

JPW:hds
(16)

Post neg

166-553-57

Searched
Serialized
Indexed
Filed

C4- [redacted] b6 b7C

In March, 1964, [redacted] advised SA [redacted] that one [redacted] whom she described as having a [redacted] and residing at [redacted] joined the [redacted] She said [redacted] and was in business as [redacted] with offices in Newark. b6 b7C b7D

[redacted]

[redacted] is the subject of an AFA investigation in Newark, based on his debt to the Government of nearly $200,000, in unpaid taxes. (BuFile [redacted])

In September, 1964, the New York Office, under the [redacted] caption, advised that [redacted] spent eight days at the Esquire Motor Hotel, NYC, in August. A source at the hotel advised that while there, [redacted] made five telephone calls to Newark number [redacted] This number was determined to be listed to [redacted] Information had previously been received that [redacted] was sharing office space with his [redacted] an attorney, at the [redacted] address. b6 b7C

In December, 1964, AUSA NATHAN E. FINKEL, Newark, advised SA [redacted] he had received information from AUSA MARTIN TUMAN that [redacted] was then "setting up" lawyers in the Newark area for gambling establishments in Nevada. AUSA FINKEL said AUSA TUMAN did not volunteer any further information in this matter.

Newark indices contain no references to [redacted] or [redacted] which might indicate the significance of these words appearing in connection with A A ADJUSTER's telephone number.

[redacted] past connection with [redacted] and his reported membership at the [redacted] a hangout for [redacted] and other hoodlums, suggests that [redacted] could be involved in the [redacted] matter. It is requested that the Bureau and receiving offices search indices on [redacted] for a logical explanation for the use of this term. Thereafter, it is believed that [redacted] should be interviewed in an effort to develop whatever connection he may have with [redacted] b6 b7C

[redacted]

b6
b7C

Subscriber to this number is [redacted]

Newark indices negative re [redacted] A separate case file has been opened to determine if [redacted] is involved in gambling. [redacted]

[redacted]

Subscriber to this number is [redacted] Newark files indicate that [redacted] whose address was last known to be [redacted] and of [redacted] who has resided at the [redacted] address. [redacted] has been described by many sources as a prominent gambling figure in the area of Hudson County, New Jersey. He is the subject of Newark File [redacted] wherein it is noted that in 1963 [redacted] was suffering from diabetes. As was reported in the case entitled "KENNETH HERBERT HANNA, aka. ITAR; ITWI; FBW", BuFile 165-1990, [redacted] was interviewed by Bureau Agents in Miami on 9/28/65. Basis for the interview was information that [redacted] and HANNA were engaged in a gambling partnership. [redacted] disclaimed any knowledge of HANNA's gambling activities and stated that he had no connection with HANNA in any such activities. He acknowledged arrests in Jersey City for gambling in 1948 and 1954. It is not believed that an interview of [redacted] concerning captioned matter would be productive.

b6
b7C

[redacted]

Subscriber to this number is [redacted]

b6
b7C

[redacted] is the subject of an Anti-Racketeering investigation, BuFile [redacted] NY File [redacted] has been described as a frequent companion to [redacted] It is not believed that an interview of [redacted] concerning captioned matter would be productive, however, the decision to do so is being left to the New York Office, origin in the [redacted] case.

NK 166-553

[redacted]

Subscriber to this number is [redacted] b6 b7C

[redacted]

done

Newark indices contain no references to subscriber or to any other [redacted] at this address. Unless reason exists to the contrary, Newark will interview [redacted] to determine her connection with [redacted]

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, BALTIMORE

DATE: 8/29/66

FROM : SAC, LOS ANGELES (166-613)

SUBJECT: [redacted] 553 *

[redacted] - FUGITIVE
ITWI; FBW-CONSPIRACY
OO: LOS ANGELES
Bufile: [redacted]

b6
b7C

On 5/24/66 an authorized complaint was filed by SA [redacted] before U. S. Commissioner RUSSELL R. HERMANN, Los Angeles, California, charging [redacted] with aiding and abetting, a violation of Title 18, Section 1343, U. S. Code, (Fraud By Wire Statute). [redacted] arrest is being sought on the above warrant outstanding at Los Angeles, California. Bond was recommended in the amount of $5,000.

2 - Baltimore
2 - Boston
2 - Charlotte
2 - Dallas
2 - Houston
2 - Jacksonville
2 - Miami
2 - Mobile
2 - Newark
2 - New Haven
2 - New Orleans
2 - New York
2 - Norfolk
2 - Philadelphia
2 - Richmond
2 - San Antonio
2 - Savannah
2 - Tampa
2 - Washington Field
2 - Los Angeles
(1 - 166-613)
(1 - 166-462)
JPC/mjg
(40)

166-553-58

SEARCHED [redacted] INDEXED
SERIALIZED [redacted] FILED
AUG 31 1966
FBI - NEWARK

[redacted]

b6
b7C

C4-

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

5010-108-01

LA 166-613

Stops have been placed with the Nonimmigrant Control Unit, Records and Information Branch, Immigration and Naturalization Service, 119 D Street, N.E., Washington, D.C., 20356, and upon being notified of the subject's return to this country, the office receiving the notification is requested to take the subject into custody on the above charge.

The following is a physical description of [redacted] b6 b7C

Race:
Sex:
Nationality:
Birth data:
Height:
Weight:
Build:
Hair:
Eyes:
Complexion:
Scars and marks:

Marital status:
Education:
FBI No.:
Dallas, Texas
Police Dept. No.:

[redacted] has been known to officers of the Dallas, Texas Police Department as a gambler since 1959. He is specialized in participating in "rigged" games, such as poker, gin rummy, and dice and operates as a set-up man for crooked dice or card games and brings in crooked dealers for such games. He is a close associate of [redacted] a nationally known gambling figure. b6 b7C

He is currently wanted under a subpoena to testify before a Federal Grand Jury, Miami, Florida, in connection

with nationwide gambling activities of [redacted] and his associates. To avoid service of subpoena, [redacted] fled to [redacted] and as of 7/20/66, was residing some place in [redacted]

b6
b7C

[redacted] was charged in instant matter with aiding and abetting in connection with the use of a multi-frequency signal generator known as a "blue box" to circumvent the normal billing procedures of the telephone company on long distance calls.

[redacted] hold Passport No. [redacted] issued at Miami, Florida, 3/29/66.

SAC, LOS ANGELES (166-462) 8/31/66

SAC, NEW YORK (166-1192) (RUC)

b6
b7C

[redacted]

ET AL
ITAR - GAMBLING
(OO: LA)

ReNYairtel to Newark, 6/21/66.

Newark is requested to expedite submission of information requested in reairtel, to Los Angeles with information copy to NY.

Inasmuch as all leads have been covered in NY, this case is being placed in an RUC status.

done See Serial 57

2-Los Angeles
2-Newark (166-553)
1-New York

JLS:edm
(5)

166-553-59

SEARCHED ..... INDEXED .....
SERIALIZED ..... FILED .....
SEP - 2 1966

[redacted]

b6
b7C

64-

SAC, LOS ANGELES (166-462) 8/31/66

SAC, NEW YORK (166-1192) (RUC)

b6
b7C

[redacted]
ET AL
ITAR - GAMBLING
(OO: LA)

ReNYairtel to Newark, 6/21/66.

Newark is requested to expedite submission of information requested in reairtel, to Los Angeles with information copy to NY.

Inasmuch as all leads have been covered in NY, this case is being placed in an RUC status.

2-Los Angeles
(2)Newark (166-553)
1-New York

JLS:edm
(5)

166-553-59

SEARCHED [redacted] INDEXED [redacted]
SERIALIZED [redacted] FILED [redacted]
SEP - 2 1966
FBI — NEWARK

FD-302 (Rev. 4-15-64)

FEDERAL BUREAU OF INVESTIGATION

Date August 26, 1966

[redacted]

b6
b7C
b7D

The above information can be made public only upon the issuance of a subpoena duces tecum, which should be addressed to [redacted] or his authorized representative.

b6
b7C
b7D

On 8/18/66 at Newark, New Jersey File # Newark 166-553-60

by SE [redacted] eag Date dictated 8/22/66

b6
b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

SAC, Los Angeles (166-462)

9/19/66

Director, FBI

[redacted]

ET AL
ITAR - GAMBLING

b6
b7C

Re Newark letter to Bureau, 8/31/66.

Bureau indices contain no reference to [redacted] [redacted]

2 - New York (166-1192)
2 - Newark (166-553)
2 - Las Vegas (92-698)
2 - Miami (166-462) (166-594)

166-553-61

SEARCHED
SERIALIZED

[redacted]

b6
b7C

9/29

SAC, NEW YORK (166-1192) 10/27/66

SAC, NEWARK (166-553)

b6
b7C

[redacted]

ITAR-GAMBLING
OO: Los Angeles

RE: New York letter to Los Angeles 8/31/66

Information requested in New York Office airtel to Newark, dated 6/21/66, set forth in Newark letter to Director, dated 8/31/66.

2 - New York
1 - Los Angeles (166-462)(info)
1 - Newark
WEG:hds
(4)

166-553-62

SEARCHED INDEXED
SERIALIZED FILED

24

[redacted]

b6
b7C

10/27/66

AIRTEL AIR MAIL

TO: DIRECTOR, FBI (166-1765)

FROM: SAC, LOS ANGELES (166-462)(P*)

RE: [redacted]

b6
b7C

[redacted]

[redacted]

HERBERT KAUFMAN

3 - Bureau (166-1765)
2 - Atlanta (166-182)(AM)
(1 - 165-21)
1 - Baltimore (166-447)(AM)
1 - Charlotte (162-185)(AM)
1 - Dallas (AM)
1 - Memphis (166-329)(AM)
1 - Miami ~~(166-359)~~(AM)
(1) - Newark (166-553)(AM)
1 - New Orleans ~~(166-87)~~(AM)
11 - Los Angeles
(2 - 166-462)
(1 - 166-607)
(1 - 166-608)
(1 - 166-609)
(1 - 166-610)
(1 - 166-611)
(1 - 166-612)
(1 - 166-613)
(1 - 166-614)
(1 - 165-1592)
TLD/mjg
(23)

166-553-63

SEARCHED INDEXED
SERIALIZED FILED
OCT 21 1966
FBI - NEWARK

[redacted]

b6
b7C

C-4 pursuant to determination on action

LA 166-462

[redacted]
HENRY E. LOMAN

[redacted]
EUGENE ANTHONY NOLAN

b6
b7C

[redacted]

[redacted] - FUGITIVE

[redacted]

INTERSTATE TRANSMISSION OF WAGERING INFORMATION;
FRAUD BY WIRE

Re Los Angeles airtel to Bureau 8/29/66.

As indicated in referenced airtel, no additional activity is anticipated in the above cases until appropriate reviews have been completed by the U. S. Supreme Court.

In view of this, all cases stemming from the Blue Box investigation are being placed in a pending inactive status in the Los Angeles Division.

With reference to [redacted] it will be recalled he is currently in a fugitive status and as of 9/27/66, Legat London advised he was currently residing in London. In view of this, UACB, the case concerning [redacted] will also be placed in a pending inactive status. It is noted appropriate stops have been placed to insure

b6
b7C

notification of [redacted] return to the United States. b6 b7C

The Bureau will be advised of pertinent developments concerning these matters at the expiration of six months unless pertinent information is developed prior to that time.

SAC, LOS ANGELES (166-462) 12/29/66

SAC, NEWARK (166-553)(RUC)

[redacted] ET AL
ITAR-GAMBLING

b6
b7C

RE: Newark letter dated 8/31/66

Enclosed for Los Angeles are 8 copies of FD 302 concerning interview with [redacted] whose telephone number was found in an address book belonging to [redacted]

Inquiry at 2085 Lemoine Ave., Fort Lee, NJ, the site of the Bridge View Tavern, developed that [redacted] was not known at this address. b6 b7C

It was determined that a [redacted] resided at [redacted]

In view of the status of this matter as pending inactive in Los Angeles at this time, it is being closed in Newark and will be re-opened if further investigation is required.

2 - Los Angeles (Encls. 8)
1 - Newark
JPD:hds
(3)

Search
Searched
Indexed
Filed

166-553-65

FD-350 (Rev. 7-16-63)

SAC
ASAC
C-1
C-2
C-3
C-4
C-5
S-1
S-2
Night Superviso
Chief Clerk
Chief Steno
SAC Secretary
SA
RA

(Mount Clipping in Space Below)

F. B. I. Smashes Bet Ring

(Special To The Call)

Washington — A nationwide ring that allegedly transmitted illegal betting information and then didn't pay its telephone bills, was smashed yesterday when the Federal Bureau of Investigation arrested 16 men in nine states, Attorney-General Nicholas DeB. Katzenbach disclosed.

Among those arrested was Francesco Sabato De Nigris, also known as Frankie Dee and Frank De Nigris, of 463 Columbia Avenue, Cliffside Park, N.J. De Nigris, a musician at the Casino in the Park, Jersey City, was arraigned yesterday before U.S. Commissioner John F. Corrigon. He was charged with violating a federal statute against the inter-state transmission of wagering information, and was released on $3,000 bail.

F. B. I. Director J. Edgar Hoover said the ring had used a multifrequency signal generator, or blue box, to avoid paying the toll charges on long distance calls. Six of those arrested were electronics engineers, and some of the others were described as gamblers.

The arrests were made in New Jersey, California, Texas, Florida, Maryland, Georgia, Tennessee North Carolina and New York.

The blue box, Hoover said, was used by gamblers and other individuals to circumvent the normal billing procedures on long-distance calls, a violation of a federal statute against fraud by wires.

De Nigris and seven other men arrested on the wagering-information charge face a possible fine of $10,000 and up to 2 years in jail.

(Indicate page, name of newspaper, city and state.)

6
THE MORNING CALL,
PATERSON, N.J.

Date: 5/26/66
Edition:
Author:
Editor: CARL JELLINGHAUS
Title:
ETAL

Character: ITAR-GAMBLING;
or ITWI
Classification:
Submitting Office: NEWARK, NJ

166-553-66

Being Investigated

SEARCHED.... INDEXED....
SERIALIZED.... FILED....
MAY 27 1966
FBI

b6
b7C

CC Bureau

FD-350 (Rev. 7-16-63)

(Mount Clipping in Space Below)

Held in Phone Gyp

FBI Says Bergen Man in Ring

A 35-year-old Cliffside Park man, who works as a musician at Casino-in-the-Park, Jersey City, was one of 16 men arrested in nine states yesterday by the FBI for allegedly participating in a nationwide ring to "electronically" pass on gambling information.

Francesco Sabato DeNigris, who is also known as "Frank Dee," was picked up at his home at 463 Columbia av. yesterday morning. He was later arraigned before United States Commissioner John F. Corridon in Jersey City and was released in $3,000 bail.

A check last night at Cliffside Park police headquarters brought the information that he was not known to authorities in that borough.

The specific charge filed against DeNigris is that he allegedly violated the "interstate transmission of wagering information law." The FBI said that he and the others arrested used "electronic blue boxes" to avoid paying for long distance calls in connection with gambling information.

Atty. Gen. Nicholas Katzenbach in Washington described the arrests as "a crippling blow to the users of electronic devices designed to circumvent toll charges on long distance telephone calls."

An FBI spokesman said the "blue box" device—technically known as a multifrequency signal generator—cuts out the telephone company when a long distance call is placed in a manner similar to what happens when a long distance caller gets a busy signal or no answer.

Thus there is no record of the call, no possibility of tracing it, and no bill which could be used by gambling investigators.

Among individuals listed by FBI Director J. Edgar Hoover charged with interstate transmission of wagering information, which carries a maximum penalty of two years' imprisonment and a $10,000 fine was Gilbert Lee Beckley, 53, of Bay Harbor Islands, Fla., described by the FBI as "one of the major bookmakers in the United States." He was arrested in New York City.

CC Bureau

SAC
ASAC
C-1
C-2
C-3
C-4
C-5
S-1
S-2
Night Supervisor
Chief Clerk
Chief Steno
SAC Secretary
SA
RA

(Indicate page, name of newspaper, city and state.)

1

HUDSON DISPATCH, UNION CITY, N.J.

Date: 5/26/66
Edition: COMPLETE
Author:
Editor: A. BRUCE COOK
Title: [redacted]
AKA; ETAL

Character: ITAR-GAMBLING; or ITWI
Classification:
Submitting Office: NEWARK, N.J.

☐ Being Investigated

166-553-67

SEARCHED.... INDEXED....
SERIALIZED.... FILED....
MAY 26 1966
FBI — NEWARK

[redacted]

b6
b7C

FD-350 (Rev. 7-16-63)

(Mount Clipping in Space Below)

16 Seized By FBI

4 Others Sought in Gaming Ring Crackdown

WASHINGTON (AP) — FBI agents arrested 16 men and sought four more today in a nationwide crackdown on interstate telephone transmission of gambling information

One of those arrested was Francesco Sabato De Nigris, also known as Frank Dee and Frank Di Nigris, 35, 463 Columbia Avenue, Cliffside Park, N.J.

He wa sseized at his home by FBI agents from Newark and arraigned before U.S. Commissioner John Corridan in Jersey City.

DeNigris was described as a musician at the Casino-in-the-Park, Jersey City. He was charged with violation of the federal statute on interstate transmission of wagering information and faces a maximum penalty, if convicted, of $10,000 fine and two years in prison.

Director J. Edgar Hoover said the men, seized in nine states from coast to coast, used an electronic device known as a "blue box" to avoid billing for long distance telephone calls.

In 8 States

They thus avoided one of the check points of law enforcement officers checking on gambling—extensive long distance telephone bills.

Hoover said an "extensive and detailed investigation by FBI agents throughout the United States" led to the arrests in New York, Maryland, Georgia, Tennessee, North Carolina, Florida, Texas, California and New Jersey.

Others arrested were: Gilbert Lee Beckley, 53, Bay Harbor Islands, Fla.; Thomas Milton Boyd, 36, Nashiville, Tenn; Herbert Kaufman, 55, Baltimore, Md.; John Owen Tyler, 50, Conyers, Ga.; Henry Edward Loman, 50, Wilcox Road, Greensboro, N.C.; Samuel Green, also known as Stanley Green, 52, Dade County, Fla.; and Gerald Hay Kilgore, 30, Reseda, Calif.

Also: Virgil Salathiel, 48, Dallas, Tex.; Harold "Buz" Mahan, 47, Beverly Hills, Calif.; Carl Lovelace Clement, about 55, sepulveda, Calif.; Joseph Soldis, 36, Torrance, Calif.; Robert Pelletier, also known as Arthur Blake, 41, Redondo Beach, Calif.; Gray Hoffman, 40, Burbank, Calif.; Wallace David Kies, 28, Riverside, Calif.; and Larry L. Simins, 31, Altadena, Calif.

___ SAC
___ ASAC
___ C-1
___ C-2
___ C-3
___ C-4
___ C-5
___ S-1
___ S-2
___ Night Supervisor
___ Chief Clerk
___ Chief Steno
___ SAC Secretary
___ SA
___ RA
___

(Indicate page, name of newspaper, city and state.)

1

NEWARK EVENING NEWS, NEWARK, N.J.

Date: 5/25/66
Edition: WALL ST.
Author:
Editor: WILLIAM R. CLARK
Title:

Character:
or
Classification:
Submitting Office: NEWARK, N.J.

☐ Being Investigated

166-553-68

SEARCHED ... INDEXED ...
SERIALIZED ... FILED ...
MAY 26 1966
FBI — NEWARK

b6
b7C

DIRECTOR, FBI (165-1469) 3/24/67

SAC, NEWARK (165-778) (RUC)

[redacted]
ITWI; ITAR - GAMBLING
(OO: DETROIT)

b6
b7C

Re Detroit report of SA [redacted] 2/24/67.

Detroit's attention is invited to Newark letter to Miami dated 3/7/66 under caption [redacted] ET AL, ITWI, ITAR" identifying [redacted] It appears that the Detroit caller had access to current information regarding the correct number to be called in New Jersey at a given time. [redacted]

b6
b7C
b7D

Investigation in the [redacted] cases (Miami) and in the [redacted] case (Los Angeles) has established that betting code [redacted] was in general use for nation-wide sports wagers. This code identified the New Jersey operators, believed to be [redacted] and [redacted]

b6
b7C
b7D

When arrested on 5/25/66 in connection with the [redacted] matter, [redacted] was fingerprinted and it was found that his prints were on material recovered from both the [redacted] and [redacted] locations. [redacted] was indicted by a FGJ at Los Angeles on 6/2/66 charged with violation of the ITWI statute.

2 - Bureau
2 - Detroit (92-1466)
1 - Miami (Info)
4 - Newark (1-[redacted])
(1-166-665)(HANNA)
(1-166-553) [redacted]

166-553-69

b6
b7C

JPW:mm
(9)

SEARCHED ____ INDEXED
SERIALIZED ____ FILED

NK 166-778

A New York informant has furnished information indicating that the [redacted] operation was actually [redacted] and that [redacted] was working for him. The same informant said [redacted] was a highly trusted employee of [redacted] and that the latter was in a bookmaking partnership with HAMMA. b6 b7C

Investigation has indicated that none of this activity continued beyond 1/8/66, the date of nation-wide raids in the HAMMA case.

The following are suggested points which might be covered in the event subject appears before a FGJ:

1. Who operated under the designation "betting code [redacted]"?

2. How did subject obtain the number [redacted] and its auxiliary [redacted] To whom did he speak at these numbers?

3. How did he obtain the number [redacted] and its auxiliary [redacted] To whom did he speak at these numbers? Was the party, if unknown by name, the same as in the other location? b6 b7C

4. How did he obtain the number [redacted] Who did he speak with here, etc.?

5. It is noted that subject's service was discontinued on 12/17/65. This was roughly the date [redacted] moved his operation from the [redacted] location to the [redacted] location with telephone numbers [redacted] and [redacted] Had subject been provided with these new numbers, and, if so, how?

6. Can subject identify [redacted] or [redacted]

Departmental Attorney PETER B. RICHARDS is aware of the possible involvement on the part of [redacted] and [redacted] however, inasmuch as [redacted] and HAMMA have pled guilty in Miami and prosecution is pending against [redacted] in Los Angeles, he has no plans for presenting this matter to a FGJ at this time. b6 b7C

DETROIT is requested to advise Newark in the event any pertinent information is elicited from subject.

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (166-1765) DATE: August 21, 1967

FROM : SAC, SAN FRANCISCO (166-314)

b6
b7C

SUBJECT: [redacted]
ET AL
ITWI; FBW - CONSPIRACY
OO: Los Angeles

LIAISON WITH THE CLERK OF THE
NINTH CIRCUIT COURT OF APPEALS

Re Los Angeles letter to the Director dated 6/29/67, which reflected that [redacted] had appealed his conviction in this matter.

Los Angeles letter designated information copies for the various offices indicated below since they have various subjects within their divisions upon whom prosecution is pending. This prosecution is being held in abeyance pending the Appellate action on the admissibility of evidence common to all of these prosecutions.

b6
b7C

On July 3, August 3 and 15, 1967, [redacted] Deputy Clerk of the Ninth Circuit Court of Appeals, San Francisco was contacted by SA [redacted]

It was ascertained that this matter was argued before the Court at Los Angeles on June 26, 1967, and it is still under submission to the Court.

The San Francisco Office will continue to follow this appeal.

2 - Bureau
1 - Atlanta (166-182)(Info.)
1 - Baltimore (166-447)(Info.)
1 - Charlotte (162-185)(Info.)
1 - Memphis (166-329)(Info.)
1 - Miami (166-359)(Info.)
1 - Newark (166-553)(Info.)
1 - New Orleans (166-87)(Info.)
11- Los Angeles (166-462)
(1 - 166-607) (1 - 166-608)
(1 - 166-609) (1 - 166-610)
(1 - 166-611) (1 - 166-612)
(1 - 166-613) (1 - 166-614)
(1 - 165-1592)
2 - San Francisco (1 - 66-3705)

166-553-70 & out

SEARCHED INDEXED
SERIALIZED FILED
AUG 24 1967
FBI — NEWARK

DVE: sm
(22)

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

5010-108-01

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

5010-106

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (166-1765)

DATE: 6/29/67

FROM : SAC, LOS ANGELES (166-462)

SUBJECT: [redacted]
ET AL
ITWI; FBW - CONSPIRACY
OO: LOS ANGELES

b6
b7C

Re Los Angeles airtel to Bureau dated 10/27/66.

Enclosed herewith for the Bureau are:

One (1) copy of Appellant [redacted] Brief for the U. S. Court of Appeals, Ninth Circuit.

One (1) copy of Appellee's Brief.

One (1) copy of Appellant's Reply Brief.

Information copies are being sent to the designated offices in view of subjects within their divisions upon whom prosecution is pending and is being held in abeyance pending the Appellate action on the admissibility of evidence common to all of these prosecutions.

Subject, on 7/28/67, was convicted in U. S. District Court at Los Angeles for violation of Title 18, Section 1084,

2 - Bureau (ENCL.3)(REGISTERED MAIL)
1 - Atlanta (166-182)(info)
1 - Baltimore (166-447)(info)
1 - Charlotte (162-185)(info)
1 - Memphis (166-329)(info)
1 - Miami (166-359)(info)
1 - Newark (166-553)(info)
1 - New Orleans (168-87)(info)
2 - San Francisco
11- Los Angeles
(1 - 166-607)
(1 - 166-608)
(1 - 166-609)
(1 - 166-610)
(1 - 166-611)
(1 - 166-612)
(1 - 166-613)
(1 - 166-614)
(1 - 165-1592)

EBD/mjg
(22)

166-553-71

SEARCHED INDEXED
SERIALIZED FILED
JUL 3 1967
FBI — NEWARK

the Interstate Transmission of Wagering Information, and on 8/15/66, was sentenced to 1 year imprisonment, execution of sentence suspended, fined $2,000, and placed on probation for 1 year.

A review of the files of the U. S. Attorney's Office at Los Angeles reflects the following Appellate Action No. 21356 in the U. S. Court of Appeals for the Ninth Circuit:

Appellant [redacted] Brief sets out a stipulated statement of facts which comprise the corpus delecti of the crime and argue only on the admissibility of the evidence obtained by the telephone company's monitoring of its own lines and contains the following under caption, "Summary of Argument:" b6 b7C

"18 U.S.C. 605 in plain language prohibits anyone from intercepting and divulging a telephonic communication without authorization from the sender. The Supreme Court of the United States has held that the section protects the privacy of the participants. Rathbun v. United States, 355 U.S. 107 (1957). Divulgence of an intercepted communication even in a court of law constitutes a violation of the statute, and evidence of such conversations is inadmissible in Federal courts, regardless of who made the interception. Benanti v. United States, 355 U.S. 96 (1957).

"The interception of Appellant's telephone conversations was contrary to California Law and divulgence to the Government was in violation of 18 U.S.C. 605. Rathbun v. United States, supra; California Penal Code, ss 619, 640, 653.

"Therefore, admission into evidence of Appellant's telephone conversations without the consent of any of the participants was error, and since there was no other evidence of any violation of 18 U.S.C. 1084, Appellant's conviction should be reversed."

The Government countered with:

1) Section 605 Federal Communications Act does not protect illegal transmissions over communications facilities.

a) Appellant's use of a multi-frequency signal generator made Appellant a trespasser on telephone company lines. The Government noted similarities to and quoted the following supporting opinions: United States v. Sugden, 226 F.2 d 281, Ninth Circuit (1955); Rathbun v. United States, 355 US 107 and 109 (1957), and Section 605, Title 47, U.S.C.

2) The telephone company has a right to monitor its facilities in order to protect them and to carry out its obligations under the Act.

a) The Government's contention being based primarily on the telephone company's responsibilities and duties to the Federal Communications Commission and under the Federal Communications Act, Title 47, Sections 202, 203, 205, 210, 213, 219 and 605.

3) The telephone company's right to monitor extends to both legal and illegal transmissions.

a) The Government contending that since the telephone company had sufficient probable cause to suspect the illegal use of their facilities, they had the right to monitor all calls of the Appellant.

4) There was no violation of California law in this case.

a) The Government contending Section 640 of the California Penal Code prohibits any willful and fraudulent or clandestine tap or unauthorized connection with any telephone wire, cable or instrument under the control of the company.

Appellant [redacted] Reply Brief then countering the Government's Brief argued: b6 b7C

1) While monitoring radio broadcasts is necessary for the enforcement of the Federal Communications Act, eavesdropping on the Appellant's conversations served no purpose whatever under the Act.

a) The Appellant contended the Federal

Communication Commission's responsibilities in regard to radio transmissions was entirely different in scope.

b) That the actual monitoring of telephone conversations was not necessary for the telephone company to fulfill its obligations to the Federal Communications Commission under the Federal Communications Act.

c) The action of the telephone company violated the rights of persons called by [redacted] in view of the fact that there was no knowledge on their part of illegal use of the telephone facility. b6 b7C

2) The Appellant argued that the telephone company's monitoring action was excessive and not within the scope of being within the normal conduct of telephone company business.

3) The Appellant argued Title 47, Section 605 is intended to preserve the right of privacy of the individual in contrast to the Government's contention that the purpose of this section is primarily for the protection of the telephone company.

LEAD

SAN FRANCISCO OFFICE

AT SAN FRANCISCO, CALIFORNIA. Will follow the Appellate action of this case in the U. S. Court of Appeals for the Ninth Circuit and advise Los Angeles and the Bureau.

OPTIONAL FORM NO. 10
5010-104

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (166-1765) DATE: 10/24/67

FROM : SAC, SAN FRANCISCO (166-314)(P)

b6
b7C

SUBJECT: [redacted]
ET AL
ITWI; FBW - CONSPIRACY
OO: Los Angeles

LIAISON WITH THE CLERK OF THE
NINTH CIRCUIT COURT OF APPEALS

Re San Francisco letter to the Director 8/21/67.

On September 8, 25 and October 11, 1967, [redacted] Deputy Clerk of the Ninth Circuit Court of Appeals, San Francisco, was contacted by SA [redacted] b6 b7C

It was ascertained that this matter is still under summation to the Court.

The San Francisco Office will continue to follow this appeal.

2 - Bureau
1 - Atlanta (166-182)(info)
1 - Baltimore (166-447)(info)
1 - Charlotte (162-185)(info)
1 - Memphis (166-329)(info)
1 - Miami (166-359)(info)
1 - Newark (166-553)(info)
1 - New Orleans (168-87)(info)
11- Los Angeles (166-462)
1 - 166-607 1 - 166-608
1 - 166-609 1 - 166-610
1 - 166-611 1 - 166-612
1 - 166-613 1 - 165-1592
1 - 166-614
2 - San Francisco (1 - 66-3705)
DVE:vlh
(22)

166-553-12
SEARCHED INDEXED
SERIALIZED FILED
OCT 27 1967
FBI — NEWARK

OPTIONAL FORM NO. 10
5010-104

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (116-1765) DATE: 11/1/67

FROM : SA SAN FRANCISCO (116-314) (P)

SUBJECT: [redacted] b6 b7C
ET AL
ITWI; FBW - CONSPIRACY
OO: Los Angeles

LIAISON WITH THE CLERK OF THE
NINTH CIRCUIT COURT OF APPEALS

Re San Francisco letter to Director, dated 10/24/67.

On 10/31/67, [redacted] Deputy Clerk of the Ninth Circuit Court of Appeals, San Francisco, made available to SA [redacted] one copy of the court's decision in this matter wherein they reversed the conviction of the lower court and the cause was remanded to the district court with instructions to dismiss the indictment. b6 b7C

Two copies of the court's decision are being forwarded to the Los Angeles Office and one copy each of the same decision to the Bureau and all other offices listed for information purposes.

The above concludes the handling of this appeal.

2 - Bureau
1 - Atlanta (166-182) (Info.) (Enc. 1)
1 - Baltimore (166-447) (Info.) (Enc. 1)
1 - Charlotte (162-185) (Info.) (Enc. 1)
1 - Memphis (166-329) (Info.) (Enc. 1)
1 - Miami (166-359) (Info.) (Enc.)
1 - Newark (166-553) (Info.) (Enc.)
1 - New Orleans (166-87) (Info.) (Enc.1)
1 - Los Angeles (166-462) (Info.) (Enc. 2)
2 - San Francisco (1 - 66-3705)
DVE/dkc
(12)

166-553-73

SEARCHED INDEXED
SERIALIZED FILED
1967
VARK

[redacted] b6 b7C

Enc.

Info

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27
5010-106

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (166-1765) DATE: 12/27/67

FROM : SAC, LOS ANGELES (166-462)(P*)

b6
b7C

SUBJECT: [redacted]
ET AL
ITWI; FBW - CONSPIRACY
OO: LOS ANGELES

Re Los Angeles letter to Bureau dated 6/29/67; San Francisco letter to Bureau dated 11/1/67, and Los Angeles letter to Baltimore dated 6/29/67, captioned, [redacted] ITWI; FBW-CONSPIRACY."

Attached for the Bureau are five copies of a letterhead memorandum captioned, [redacted] b6 b7C

The U. S. Court of Appeals for the Ninth Circuit in [redacted] vs. the United States of America, on 10/20/67, ruled in favor of [redacted] stating that the District Court erred in admitting into evidence telephone company tape recordings charging that the telephone company had monitored the telephone calls for an excessive period after

2 - Bureau (ENCL.6)
1 - Atlanta (166-182)(info)
1 - Baltimore (166-447)(info)
1 - Charlotte (162-185)(info)
1 - Dallas (166-241)(info)
1 - Memphis (166-329)(info)
1 - Miami (166-359)(info)
1 - Newark (166-553)(info)
1 - New Orleans (166-87)(info)
2 - San Francisco
2 - Washington Field
11- Los Angeles
(1 - 166-607)
(1 - 166-608)
(1 - 166-609)
(1 - 166-610)
(1 - 166-611)
(1 - 166-612)
(1 - 166-613)
(1 - 166-614)
(1 - 166-1592)

EBO/mjg
(25)

166-553-74

SEARCHED ____ INDEXED ____
SERIALIZED ____ FILED ____
JAN 2 1968
FBI — NEWARK

the company had established the illegal use of their facilities on the part of [redacted]

AUSA DAVID R. NISSEN advised he has been advised by the Department of Justice that the Solicitor General will not appeal the Ninth Circuit decision to the U. S. Supreme Court. b6 b7C

AUSA NISSEN advised in regard to the other cases involving [redacted] wherein prosecutive action was being held in abeyance pending appellate decisions in this case that he will not initiate action for dismissal, but upon action by defense counsels for dismissal, will request that dismissal without prejudice be granted. AUSA NISSEN is hopeful a future Supreme Court decision regarding this type monitoring will over-ride the Ninth Circuit decision.

A warrant for [redacted] is still outstanding, however, an FD-65 is being submitted to the Bureau canceling the Wanted Notice for [redacted] in view of the Ninth Circuit ruling and the fact that the warrant is to be dismissed in the future. [redacted] is still reportedly out of the continental United States and his whereabouts is unknown. The Los Angeles Office is still desirous of locating [redacted] inasmuch as he apparently was involved in the operation of peephole gambling operations in Los Angeles, California. b6 b7C

The Los Angeles Office will maintain the various [redacted] Conspiracy cases in a pending inactive status until such time as the indictments are dismissed.

Previous investigation to locate [redacted] involved the Legats London, Bonn, and Paris. Five copies of a letterhead memorandum are being submitted to the Bureau in the event the Liaison Desk at the Bureau is desirous of forwarding this information to the above Legats.

LEAD

WASHINGTON FIELD

AT WASHINGTON, D. C. Referenced Los Angeles letter to Baltimore reflects that a stop has been placed with

the Non-immigrant Control Unit Records and Information Branch, INS, 119 D Street, N.E., Washington, D.C., 20356. The Washington Field Office is requested to remove this stop. The Los Angeles Office would be desirous of knowing if [redacted] does re-enter the country, but it is believed this stop sets out his fugitive status.

b6
b7C

Also enclosed for the Bureau is one Disposition Sheet setting forth Ninth Court decision on 10/20/67.

An FD-165 canceling the stop placed against [redacted] has been forwarded.

FD-36 (Rev. 5-22-64)

FBI

Date: 1/24/68

Transmit the following in _____ (Type in plaintext or code)

Via AIRTEL AIR MAIL (Priority)

TO: DIRECTOR, FBI (166-1765)

FROM: SAC, LOS ANGELES (166-462)(P*)

RE: [redacted] - FUGITIVE;
ET AL
ITWI; FBW - CONSPIRACY
OO: LOS ANGELES

b6
b7C

Re Los Angeles letter to Bureau dated 12/27/67.

Judge CHARLES CARR, U. S. District Court for the Central District of California, on 1/8/68, spread a mandate dismissing the indictment in the conspiracy involving [redacted] and HENRY E. LOMAN in conformance with a judgment of the U. S. Court of Appeals for the Ninth Circuit.

b6
b7C

The Ninth Circuit, in effect, ruled that the District Court erred in admitting into evidence the tape recordings involved in this trial, inasmuch as the telephone company monitoring of [redacted] telephone was excessive.

3 - Bureau
1 - Atlanta (166-182)
1 - Baltimore (166-447)
1 - Charlotte (162-185)
1 - Memphis (166-329)
1 - Miami (166-359)
1 - New Orleans (166-87)
1 - Newark (166-553)
2 - Los Angeles
EBD/mjg
(12)

166-553-75

SEARCHED INDEXED
SERIALIZED FILED
JAN 29 1968
FBI [redacted]

b6
b7C

1 Xerox copy made

Filed for conference

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

AUSA DAVID R. NISSEN believes there is a possibility that this ruling would not apply to the individuals involved in these various conspiracies wherein their telephone conversations relaying betting information involved only the three day period 12/20 - 23/65. AUSA NISSEN will attempt to place an ITWI involving subject KAUFMAN on the court calendar of this District, if he is able to convince the Court that this involves a different set of circumstances.

In view of the above, those offices having cases involving [redacted] THOMAS MILTON BOYD, HERBERT KAUFMAN, EUGENE ANTHONY NOLAN, and [redacted] are requested to retain all evidence previously secured in this case until the outcome of this prosecutive effort is determined. b6 b7C

The Baltimore Office is requested to furnish information which would be valuable in establishing KAUFMAN's being involved in the business of betting and wagering.

FD-36 (Rev. 5-22-64)

F B I

Date: 2/14/68

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL AIR MAIL
(Priority)

TO: DIRECTOR, FBI (166-1765)

FROM: SAC, LOS ANGELES (166-462)(P*)

RE: [redacted] - FUGITIVE;
ET AL
ITWI; FBW - CONSPIRACY
OO: LOS ANGELES

b6
b7C

Re Los Angeles airtel to Bureau dated 2/9/68.

AUSA DAVID R. NISSEN, on 2/13/68, advised that on the same date, he had appeared in U. S. District Court at Los Angeles for the purpose of obtaining a trial date for HERBERT KAUFMAN. U. S. District Judge ALBERT LEE STEPHENS, JR. requested that the Government file an Offer of Proof and Points of Authority setting forth why the circumstances

3 - Bureau
1 - Atlanta (166-182)
1 - Baltimore (166-447)
1 - Charlotte (162-185)
1 - Memphis (166-329)
1 - Miami (166-359)
1 - ~~New Orleans (166-87)~~
1 - Newark (166-553)
9 - Los Angeles
(1 - 166-507)
(1 - 166-508)
(1 - 166-509)
(1 - 166-510)
(1 - 166-511)
(1 - 166-512)
(1 - 166-513)

EBD/mjg
(19)

166-553-76
SEARCHED INDEXED
SERIALIZED FILED
FEB 19 1968
[redacted] WARK

b6
b7C

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

Info.

involving HERBERT KAUFMAN were different than those that were present in the trial of [redacted] which conviction was reversed by the Ninth Circuit Court. b6 b7C

Conferences will be held with AUSA NISSEN and representatives of the Pacific Telephone Company this week for the purpose of establishing the short length of monitoring that was involved insofar as KAUFMAN was concerned and further to establish that the telephone company was primarily interested in its investigation of the individuals using the blue boxes to determine the source of manufacture and distribution in order that they might put a stop to their use. In the [redacted] case, the Ninth Circuit Court stated the telephone company, for the purpose of billing and collections, had monitored excessively. b6 b7C

The Bureau will be kept advised of pertinent developments in this case.

FD-263 (Rev. 3-8-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
LOS ANGELES	LOS ANGELES	6/3/68	8/24/66 - 5/29/68

TITLE OF CASE

[redacted]

FUGITIVE;
ET AL

REPORT MADE BY [redacted] TYPED BY ecv

CHARACTER OF CASE

ITWI; FBW - CONSPIRACY

b6
b7C

REFERENCES: Report of SA [redacted] dated 8/24/66 captioned, [redacted] HENRY E. LOMAN, ITWI; FBW.
Los Angeles airtel to the Bureau dated 4/18/68.

- P* -

ADMINISTRATIVE

It is noted the investigative period is extensive, this case has been carried in a pending inactive status awaiting appellate court and District court action.

It is also noted that although [redacted] is carried as a fugitive, no effort is being made to apprehend him at this time pending a District Court ruling in Los Angeles which will affect the prosecutive action to be taken.

b6
b7C

ACCOMPLISHMENTS CLAIMED None						ACQUIT-TALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		PENDING OVER ONE YEAR [X] YES [ ] NO PENDING PROSECUTION OVER SIX MONTHS [ ] YES [X] NO

APPROVED SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

166 - 553 - 77

COPIES MADE:

See Page B

1 - Newark

SEARCHED ____ INDEXED ____
SERIALIZED ____ FILED ____
JUN 7 1968
FBI — NEWARK

Dissemination Record of Attached Report				
Agency				
Request Recd.				
Date Fwd.				
How Fwd.				
By				

Notations

LA 166-462

Copies Made:

3 - Bureau (166-1765)
1 - USA, Los Angeles
(ATTN: Special Prosecutions)
1 - Atlanta (166-182) (Info)
1 - Baltimore (166-447) (Info)
1 - Charlotte (162-185) (Info)
1 - Memphis (166-329) (Info)
1 - Miami (166-359) (Info)
1 - New Orleans (168-87) (Info)
1 - Newark (166-553) (Info)
9 - Los Angeles
(2 - 166-462)
(1 - 166-607)
(1 - 166-608)
(1 - 166-609)
(1 - 166-610)
(1 - 166-611)
(1 - 166-612)
(1 - 166-613)

This case will be continued in a pending inactive status awaiting United States District Court action as to further prosecution.

LEAD

LOS ANGELES

AT LOS ANGELES, CALIFORNIA: Will follow District Court decisions on this case.

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Los Angeles

Report of: [redacted]
Date: 6/3/68

Office: Los Angeles, California

b6
b7C

Field Office File #: 166-462

Bureau File #: 166-1765

Title: [redacted]
ET AL

Character: INTERSTATE TRANSMISSION OF WAGERING INFORMATION; FRAUD BY WIRE; CONSPIRACY

Synopsis: On 7/28/66, [redacted] was found guilty in USDC at Los Angeles. On 10/20/67 above conviction was reversed by U. S. Court of Appeals for the Ninth Circuit. Several other cases arising out of same basis were awaiting appellate action. AUSA, Los Angeles believes circumstances involving other subjects are different than those resulting in above reversal. This matter is currently under consideration by USDC, Los Angeles. Subject [redacted] in April 1968 was living in Brussells, Belgium. Disposition sheet reflecting above reversal previously submitted.

b6
b7C

- P* -

DETAILS

On July 28, 1966, [redacted] in United States District Court in Los Angeles, was found guilty of violation of Title 18, Section 1084, United States Code, the interstate transmission of wagering information, and on August 15, 1966 was sentenced to one year imprisonment, execution of sentence suspended, fine $2,000. and placed on probation. Also involved in this case were [redacted] and HENRY E. LOMAN. Charges in this case against [redacted] were dismissed because of a defective indictment. HENRY E. LOMAN was granted an acquital on the basis the government had failed to establish that LOMAN "was in the business of wagering and betting."

b6
b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

Prosecution of the above case was dependent upon numerous recordings that the Pacific Telephone Company made of telephone calls in Los Angeles, California of [redacted] in making these calls, was using a device to circumvent the telephone company's normal billing system. This device enabled [redacted] to call [redacted] a Miami, Florida bettor - bookmaker, receive instructions and thereafter call various other bookmakers in the United States, conduct betting business or obtain and give betting information with them and then furnish [redacted] with the results of his action. b6 b7C

In view of the nature of these calls and the fact that there was no evidence showing any mutual contact with these other individuals other than separate and distinct action with [redacted] through [redacted] it was the opinion of the Assistant United States Attorney JOHN F. LALLY at Los Angeles that the individuals [redacted] was in contact with should be handled as separate conspiracies with [redacted] and [redacted] Therefore, in addition to the above case, indictments charging violation Title 18, United States Code, Sections 1084 and 2 were returned separately against [redacted] and each of the following: b6 b7C

HERBERT KAUFMAN;

[redacted]

EUGENE ANTHONY NOLAN;

[redacted]

An indictment was also returned charging [redacted] and THOMAS MILTON BOYD with violation of Title 18, United States Code, Section 1084.

An indictment was also returned charging [redacted] and [redacted] with violation of Title 18, United States Code, Section 1343 (Fraud by Wire) and aiding and abetting same. b6 b7C

A complaint was filed on [redacted] on May 24, 1966 charging him with violation of Title 18, Section 2, aiding and abetting in Fraud by Wire.

On October 20, 1967, the United Court of Appeals for the Ninth Circuit reversed the conviction of [redacted] on the grounds that the telephone company had excessively monitored [redacted] telephone calls. b6 b7C

On January 8, 1968, United States District Judge CHARLES H. CARR spread the mandate on the above decision and reassigned the remaining above mentioned indictments to the court of United States District Judge ALBERT LEE STEPHENS, JR.

On February 13, 1968, Judge ALBERT LEE STEPHENS, JR. in United States District Court at Los Angeles requested Assistant United States Attorney DAVID R. NISSEN to file an Offer of Proof and points of authority setting forth why the circumstances were different in regard to HERBERT KAUFMAN than those involving [redacted] which resulted in a reversal by the Ninth Circuit Court. Assistant United States Attorney NISSEN subsequently submitted an Offer of Proof and to date, Judge STEPHENS has not made a ruling in this matter and until a decision is made, no action can be taken on the remaining indictments. b6 b7C

The Commissioner's warrant on [redacted] remains outstanding. Assistant United States Attorney NISSEN desires to resolve the government's position on prosecution prior to initiating any action to dismiss any process against the subjects.

Investigation by a foreign police agency reflects that as of April 1968, [redacted] who was born [redacted] was residing [redacted] He is not properly registered as a foreigner. He is reportedly employed by the [redacted] no address given. In the event further information is received regarding [redacted] by the above agency, the Federal Bureau of Investigation will be notified. b6 b7C

Disposition sheet reflecting Ninth Circuit reversal of [redacted] conviction was previously submitted.

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27
5010-106

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (166-1765) DATE: 1/31/69

FROM : SAC, LOS ANGELES (166-462)

SUBJECT: [redacted]
ET AL
ITWI; FBW - CONSPIRACY

b6
b7C

Re report of SA [redacted] at Los Angeles dated 6/3/68 captioned [redacted] - FUGITIVE; ET AL; ITWI; FBW - CONSPIRACY."

Prosecution on several so-called "Blue Box" cases arising out of the [redacted] ET AL case, as set forth in referenced report, has been held in abeyance pending a decision by U. S. District Court Judge ALBERT LEE STEPHENS, JR. at Los Angeles as to the admissibility of telephone company recordings against individuals associated with [redacted] in interstate gambling. Judge STEPHENS has ruled to suppress these recordings on the basis of illegal monitoring and in the absence of any other evidence on the part of the Government, has dismissed the indictments on all of these cases.

b6
b7C

2 - Bureau
1 - Atlanta (166-182)(Info)
1 - Baltimore (166-447)(Info)
1 - Charlotte (162-185)(Info)
1 - Memphis (166-329)(Info)
1 - Miami (166-359)(Info)
1 - New Orleans (166-87)(Info)
1 - Newark (166-553)(Info)
15 - Los Angeles
(1 - 166-508)
(1 - 166-514)
(1 - 166-516)
(1 - 166-534)
(1 - 166-586)
(1 - 166-607)
(1 - 166-608)
(1 - 166-609)
(1 - 166-610)
(1 - 166-611)
(1 - 166-612)
(1 - 166-613)
(1 - 166-614)

EBD/bje
(24)

166-553-78

SEARCHED 4 INDEXED
SERIALIZED FILED
FEB 4 1969
FBI — NEWARK

LA 166-462

Assistant U. S. Attorney DAVID R. NISSEN on 1/28/69 advised that he intends to request the Solicitor General to approve the filing of a notice of appeal to appeal Judge STEPHENS' decision to the Ninth Circuit U. S. Court of Appeals. AUSA NISSEN contends that although the Ninth Circuit reversed a U. S. District Court at Los Angeles conviction of [redacted] on the grounds of his telephone calls were monitored over a three month period, which was considered by the Appellant Court as excessive, the other individuals involved in these indictments were in contact with [redacted] only at a maximum of a four day period and, therefore, the basis of the [redacted] reversal is not applicable to these other cases.

b6
b7C

AUSA NISSEN intends to appeal only the following cases:

United States v. THOMAS MILTON BOYD; [redacted]
Indictment filed 6/2/66, No. 36269-CD,
LA file 166-608;

United States v. [redacted] and [redacted]
Indictment filed 6/2/66, No. 36266-CD
Superseded 8/11/66 by No. 36513
LA file 166-607

United States v. KAUFMAN, [redacted] and [redacted]
Indictment filed 6/2/66, No. 36267-CD
Superseded 8/11/66 by No. 36516,
LA 166-609;

b6
b7C

United States v. NOLAN, [redacted] and [redacted]
Indictment filed 6/2/66, No. 36264
Superseded 8/11/66 by No. 36515
LA file 166-611;

United States v. [redacted] and [redacted]
Indictment filed 6/2/66, No. 36265
Superseded 8/11/66 by No. 36514
LA file 166-612

Information copies of this letter being submitted to designated offices because of their previous interest in these subjects.

The Los Angeles Office will continue the above cases in a pending inactive status. All other cases arising out of the initial "Blue Box" cases will be closed.

In view of the above, Los Angeles will close the following cases:

[redacted]

b6
b7C

LA 166-516
GRAY HOFFMAN
FBW

[redacted]

LA 166-610
HENRY LOMAN
ITWI

LEADS

LOS ANGELES

AT LOS ANGELES, CALIFORNIA. Will review records at the U. S. Attorney's Office, Los Angeles, regarding warrant status on [redacted] and [redacted] Arrange for their dismissal and submit disposition sheets.

b6
b7C

(2) Will ascertain status of indictment against VIRGIL HAL SALATHIEL, LA 166-534, and submit disposition sheet if dismissed.

FD-263 (Rev. 3-8-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
LOS ANGELES	LOS ANGELES	7/14/69	6/4/68 - 7/10/69

TITLE OF CASE

[redacted]

ET AL

REPORT MADE BY [redacted] TYPED BY jem

CHARACTER OF CASE

ITWI
FBW - CONSPIRACY

b6
b7C

REFERENCES: Report of SA [redacted] dated 6/3/68 at Los Angeles.
Los Angeles letter to Director dated 1/31/69.

- P* -

ADMINISTRATIVE

It is noted the investigative period is extensive, this case has been carried in a pending inactive status awaiting Appellate and District Court action and will be continued in this status for the same reason.

ACCOMPLISHMENTS CLAIMED NONE						ACQUITTALS
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES	

CASE HAS BEEN:
PENDING OVER ONE YEAR [X] YES [ ] NO
PENDING PROSECUTION OVER SIX MONTHS [ ] YES [X] NO

APPROVED [signature] SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

COPIES MADE:

166 5-53 CC 79

SEE COVER PAGE B

1-NK

Dissemination Record of Attached Report

Agency				
Request Recd.				
Date Fwd.				
How Fwd.				
By				

Notations

SEARCHED [ ] INDEXED [ ]
SERIALIZED [ ] FILED [ ]
JUL 17 1969
FBI — [illegible]

LA 166-462

COPIES

3 - Bureau (166-1765)
1 - USA, Los Angeles
(Attn: Special Prosecutions)
1 - Atlanta (166-182) (Info)
1 - Baltimore (166-447) (Info)
1 - Memphis (166-329) (Info)
1 - Miami (166-359) (Info)
1 - Newark (166-553) (Info)
1 - New Orleans (166-87) (Info)
2 - San Francisco
7 - Los Angeles
(1 - 166-607)
(1 - 166-608)
(1 - 166-609)
(1 - 166-611)
(1 - 166-612)

LA 166-462

LEADS

BALTIMORE, NEW ORLEANS, ATLANTA, MEMPHIS, AND NEWARK

AT BALTIMORE, NEW ORLEANS, ATLANTA, MEMPHIS, AND NEWARK: Information copies of this report are being sent these offices since primary subjects reside in their areas.

MIAMI

AT MIAMI, FLORIDA: An information copy is being sent Miami in view of possible interest since the recordings in this case were used in Miami's [redacted] ET AL case. b6 b7C

SAN FRANCISCO

AT SAN FRANCISCO, CALIFORNIA: Will follow Appellate action this case in the Ninth Circuit Court of Appeals.

LOS ANGELES

AT LOS ANGELES, CALIFORNIA: Will follow Appellate Court action.

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Los Angeles

Report of: [redacted]
Date: 7/14/69

Office: Los Angeles, California

Field Office File #: 166-462

Bureau File #: 166-1765

b6
b7C

Title: [redacted]
ET AL

Character: INTERSTATE TRANSMISSION OF WAGERING INFORMATION;
FRAUD BY WIRE; CONSPIRACY

Synopsis: United States Attorney's Office, Los Angeles, California, on 6/3/69, sent Appellant's Brief to the United States Court of Appeals for the Ninth Circuit requesting that the Order of the District Court suppressing evidence and dismissing the indictments be reversed in regard to subjects, HERBERT KAUFMAN, EUGENE A. NOLAN, [redacted] THOMAS MILTON BOYD, and [redacted] On 6/30/69, United States Attorney's Office, Los Angeles, received a copy of Appellee's application for extension of time to file. Appellant's Brief set out.

b6
b7C

- P* -

DETAILS:

On July 9, 1969, Assistant United States Attorney (AUSA) DAVID E. NISSEN, furnished a copy of an Appellant's Brief which was sent to the United States Court of Appeals for the Ninth Circuit on June 3, 1969. This Brief requests that the Order of the District Court suppressing evidence and dismissing the indictment be reversed in regard to subjects, HERBERT KAUFMAN, EUGENE A. NOLAN, [redacted] THOMAS MILTON BOYD, and [redacted]

b6
b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

GPO 864 214

LA 166-462

On June 30, 1969, the United States Attorney's Office at Los Angeles received a copy of Appellee's application for extension of time to file. AUSA NISSEN advised the appellee action for all subjects is being handled by [redacted] b6 b7C

Appellant's Brief is hereafter set out:

IN THE UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

UNITED STATES OF AMERICA,
Appellant,
vs. No. 24040
HERBERT KAUFMAN,
Appellee.

UNITED STATES OF AMERICA,
Appellant,
vs. No. 24032
EUGENE A. NOLAN,
Appellee.

UNITED STATES OF AMERICA,
Appellant,
vs. No. 24031
[redacted]
Appellee.

UNITED STATES OF AMERICA,
Appellant,
vs. No. 24030
THOMAS MILTON BOYD,
Appellee.

b6
b7C

UNITED STATES OF AMERICA,
Appellant,
vs. No. 24000
[redacted]
Appellee.

APPELLANT'S OPENING BRIEF

APPEAL FROM
THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

WM. MATTHEW BYRNE, JR.,
United States Attorney,
DAVID R. NISSEN,
Assistant U. S. Attorney,
Chief, Special Pros. Div.,
1200 U. S. Court House
312 North Spring Street
Los Angeles, California 90012
688-2437
Attorneys for Appellant

TOPICAL INDEX

		Page
Table of Authorities		ii
I	JURISDICTION AND STATEMENT OF THE CASE	1
II	QUESTION PRESENTED	3
III	STATUTE INVOLVED	3
IV	STATEMENT OF FACTS	5
V	ARGUMENT	13
	A. SECTION 605 DOES NOT PROTECT ILLEGAL USERS OF A COMMUNICATION FACILITY.	13
	B. THE TELEPHONE COMPANY LAWFULLY MONITORED THE ILLEGALLY "PLACED" CALLS.	15
	C. THE TAPE RECORDINGS WERE LAWFULLY DISCLOSED TO THE GOVERNMENT.	18
VI	CONCLUSION	21

TABLE OF AUTHORITIES

Cases	Page
Benanti v. United States, 355 U.S. 96 (1957)	13
Brandon v. United States, 382 F. 2d 607 (10th Cir. 1967)	13, 17, 19
Bubis v. United States, 384 F. 2d 643 (9th Cir. 1967)	2, 16, 17
Goldstein v. United States, 316 U.S. 114 (1942)	18
Hanna v. United States, 404 F. 2d 405 (5th Cir. 1968)	14, 16, 19, 20
Jackson v. United States, 313 F. 2d 572 (D.C. Cir. 1965)	18
Katz v. United States, 389 U.S. 347 (1967)	14
United States v. Dote, 371 F. 2d 176 (7th Cir. 1966)	3
United States v. Gorman, 355 F. 2d 151 (1st Cir. 1965)	18
United States ex rel. Ross v. La Vallee, 341 F. 2d 823 (2nd Cir. 1965), cert. denied 382 U.S. 867 (1965)	18
United States v. Sugden, 226 F. 2d 281 (9th Cir. 1955), aff'd per curiam 351 U.S. 916 (1956)	13, 18
United States v. Tane, 329 F. 2d 848 (2nd Cir. 1964)	3

Constitution

United States Constitution:	
Fourth Amendment	14

Page

Statutes

18 U.S.C., §4	20
18 U.S.C., §1084	2
18 U.S.C., §3731	2, 3
26 U.S.C., §4251	15
28 U.S.C., §1291	2
28 U.S.C., §1294	2
47 U.S.C., §202	15
47 U.S.C., §203(c)	15
47 U.S.C., §220	15
47 U.S.C., §605	3, 13, 17, 19, 20

IN THE UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

UNITED STATES OF AMERICA, Appellant, vs. HERBERT KAUFMAN, Appellee.	No. 24040
UNITED STATES OF AMERICA, Appellant, vs. EUGENE A. NOLAN, Appellee.	No. 24032
UNITED STATES OF AMERICA, Appellant, vs. [redacted] Appellee.	No. 24031
UNITED STATES OF AMERICA, Appellant, vs. THOMAS MILTON BOYD, Appellee.	No. 24030
UNITED STATES OF AMERICA, Appellant, vs. [redacted] Appellee.	No. 24000

b6
b7C

APPELLANT'S OPENING BRIEF

I

JURISDICTION AND STATEMENT OF THE CASE

Each of the five appellees were indicted by the Federal

1.

Grand Jury for the Central District of California in separate indictments charging interstate transmission of wagering information in violation of Title 18, United States Code, Section 1084. 1/

All appellees moved to suppress evidence consisting of tape recordings of telephone calls, and all likewise moved to dismiss the indictments. The motions to dismiss and to suppress evidence were consolidated and considered by the court upon stipulated facts. 2/ On January 27, 1969, the District Court entered a single order suppressing the tape recordings and dismissing the indictments in each of the five cases. [Clerk's Transcript, Kaufman, pp. 73-75]

On February 19, 1969, Appellant, United States of America filed timely notices of appeal in each case. 3/ On May 3, 1969, this Court granted Appellant's motion to consolidate these five cases on this appeal.

The jurisdiction of the District Court was based upon Title 18, United States Code, Section 1084, and this Court has jurisdiction to entertain this appeal under the provisions of Title 28, United States Code, Sections 1291 and 1294, and Title 18, United States

---

1/ Appellees Kaufman, Nolan, [redacted] and [redacted] were indicted on August 11, 1966, in cases numbered 36516, 36515, 36514, and 36513, respectively, in each of which [redacted] was charged as a co-defendant. Appellee Boyd was indicted on June 6, 1966 in case number 36269, in which [redacted] was also a co-defendant. [redacted] was tried separately and his conviction was reversed by this Court in Bubis v. United States, 384 F.2d 643 (9th Cir. 1967). b6 b7C

2/ Identical stipulations were entered in each case. See the Clerk's Transcripts: Kaufman, p. 66; Nolan, p. 7; [redacted] and Boyd (referred to in Court's order, p. 60).

3/ See Clerk's Transcripts: Kaufman, p. 76; Nolan, p. 17; [redacted] and Boyd, p. 62.

Code, Section 3731. 4/

II

QUESTION PRESENTED

Whether a recipient of telephone calls from a person who is fraudulently using an electronic device to gain illegal access to the telephone company's long distance circuits in order to avoid its billing recordation equipment for the calls has a statutory or constitutional right to the suppression of evidence consisting of tape recordings of these calls made by the telephone company during the first three days it monitored the fraudulent caller's telephone.

III

STATUTE INVOLVED

Title 47, United States Code, Section 605, provides in pertinent part as follows:

> "No person receiving or assisting in receiving, or transmitting, or assisting in transmitting, any interstate or foreign communication by wire or radio shall divulge or publish the existence, contents, substance, purport, effect, or meaning thereof, except through authorized channels of transmission or reception, to any person other than the addressee,

---

4/ See United States v. Dote, 371 F. 2d 176 (7th Cir. 1966), and United States v. Tane, 329 F. 2d 848 (2nd Cir. 1964).

his agent, or attorney, or to a person employed or authorized to forward such communication to its destination, or to proper accounting or distributing officers of the various communicating centers over which the communication may be passed, or to the master of a ship under whom he is serving, or in response to a subpoena issued by a court of competent jurisdiction, or on demand of other lawful authority; and no person not being authorized by the sender shall intercept any communication and divulge or publish the existence, contents, substance, purport, effect, or meaning of such intercepted communication to any person; and no person not being entitled thereto shall receive or assist in receiving any interstate or foreign communication by wire or radio and use the same or any information therein contained for his own benefit or for the benefit of another not entitled thereto; and no person having received such intercepted communication or having become acquainted with the contents, substance, purport, effect, or meaning of the same or any part thereof, knowing that such information was so obtained, shall divulge or publish the existence, contents, substance, purport, effect, or meaning of the same or any part thereof, or use the same or any information therein contained for his own benefit or for the benefit of another not entitled thereto; . . . ."

4.

IV

STATEMENT OF FACTS

Appellee's motions were decided upon stipulated facts which are set out in full below:

"For several years prior to 1965, certain representatives of Pacific Telephone Company had been aware of, and were investigating the use of, a device constituting a multifrequency signal generator (commonly known as a 'blue box'), which was being manufactured, sold and used for the purpose of completing long distance telephone calls without a record thereof being made, thereby avoiding a charge for the calls.

"Lines of various telephone companies connect with each other so that calls may be placed from one telephone to those in other parts of the United States and throughout the world. Telephone equipment permits the placing of such calls by direct distance dialing. When a direct distance dialed call is properly completed, a record of the call is made on an automatic message accounting tape (hereinafter called 'AMA tape') which records: 1) the calling telephone number, 2) the called telephone number, 3) the date of the call, and 4) the duration of the call. This information is subsequently processed through

electronic data processing equipment which processes completed calls onto cards and is used as a basis for billing the subscriber for the call.

"The universal information number in the United States is 555-1212. When a party dials an information operator outside of his area, the AMA records the placing of the call, but the call is not processed for billing purposes because it is not considered a completed call.

"The function of the 'blue box' is to simulate the tones used by telephone operators and automatic dialing equipment to make long-distance telephone calls. The 'blue box' has a number of buttons each of which has a different frequency or combination of frequencies, and is interpreted by the telephone company's equipment as 1) a number, 2) a seizure of a line, or 3) a disconnect.

"A 'blue box' call is made by first dialing any area code plus the universal information number 555-1212. This rings an information operator in the area dialed. When the ringing commences, the 'blue box' is used to introduce a 2600 cycle-per-second (CPS) tone into the transmitter of the telephone instrument by pressing an appropriate button. This tone disconnects the information operator but retains the circuit in the long distance line. A button on the

'blue box' marked 'start' is then pressed to introduce a tone into the telephone transmitter which causes a toll circuit to be seized. The area code and telephone number of the party being called is then pulsed by pressing, in proper sequence, buttons on the 'blue box' representing the numbers desired. The frequencies used to represent the various numbers are as follows:

NUMBERS	FREQUENCIES IN CPS
1	700 - 900
2	700 - 1100
3	900 - 1100
4	700 - 1300
5	900 - 1300
6	1100 - 1300
7	700 - 1500
8	900 - 1500
9	1100 - 1500
10	1300 - 1500

Another button on the 'blue box' marked 'stop' is then depressed which emits a tone completing the calling operation and causing the called party's telephone to ring.

"At the termination of a 'blue box' call, the 'blue box' user may, without hanging up, again introduce a 2600 CPS tone into the transmitter and pulse another number either with the same or a

different area code. For example, a 'blue box' caller in Los Angeles could call the information operator in San Francisco, and thereafter place numerous calls to telephones all over the country without ever hanging up his telephone. When the caller eventually hangs up his telephone, the AMA tape recording will show:

1) the calling number;

2) the area code of the information operator called;

3) the date of the call;

4) the time of connect and disconnect, or duration of the call.

The AMA tape does not disclose the telephone number or numbers called by the user of the 'blue box' after disconnecting the information operator as described above, or the duration of the call or calls and therefore provides no information upon which to base a billing for such calls.

"On occasion, a malfunction of telephone equipment may cause a call to an information operator to be recorded as a completed call. For the purpose of billing accuracy, the telephone company processes its AMA tape to identify calls to information operators shown as completed calls, so that they will not be charged to the subscriber.

8.

Such calls are then grouped together by calling number and form the basis for a check by the telephone company to determine whether there is any malfunction of its equipment. The compiled record of calls to information operators is known as a 'printout'.

"A 'printout' for telephone number [redacted] b6 b7C for November, 1965, came to the attention of telephone company special agents in early December, 1965. It showed more than 200 calls to information operators throughout the country, including up to 38 calls to the same operator in one day. The duration of the calls was far beyond that for the normal information call. This printout indicated to the telephone company special agents that a person or persons were using a 'blue box' to place unbillable calls throughout the United States from telephone number [redacted] A check of telephone company records was then made by the special agents and it was determined that the number was subscribed to by [redacted] b6 b7C

"Although the printout indicated use of a 'blue box' from [redacted] telephone, it did not suggest what person or persons were using it. The special agents knew that it was possible for blue box calls to be made without the subscribers' knowledge by another member

of his household, a guest, an intruder, or by someone making a connection to the subscriber's exterior line. Consequently, the agents caused a physical connection to be made to [redacted] telephone with a terminal point in the special agents' office at 742 South Hill Street, Los Angeles, California. The special agents lacked sufficient personnel to monitor [redacted] telephone manually for 24 hours per day. Consequently, a tape recorder was purchased and on December 20, 1965, it was connected to the line in such a way as to record while [redacted] receiver was off the hook. No monitoring of [redacted] phone occurred prior to December 20, 1965. The room where the recorder was located was kept locked and only agents assigned to the investigation were allowed to enter it. On March 24, 1966, the monitoring was discontinued.

b6
b7C

"After the tapes were removed from the tape recorder, they were processed to determine the areas and telephone numbers that had been called by use of the blue box. The tapes were also played to determine the duration of these calls. The monitoring tapes thereby provided a record to serve as a basis for the telephone company to make a charge for the calls that were placed by use of the 'blue box'.

"On April 11, 1965 [sic 1966], a special agent of the telephone company met with Assistant United

States Attorney, John Lally, in the United States Attorney's office in Los Angeles, and advised Lally of the fact that the telephone company had evidence that [redacted] telephone was being used to place 'blue box' calls in violation of the federal fraud by wire statute, and that the conversations on the tapes 'sounded like gambling.' The monitoring of [redacted] telephone had been performed by telephone company agents alone, without the cooperation or even the knowledge of the federal government. After being informed of the existence of tape recordings of these unlawful calls, Assistant United States Attorney Lally caused a grand jury subpoena to be served upon the telephone company, and the tape recordings were produced in response thereto.

b6
b7C

"Examination of the tape recordings indicated that [redacted] was using a blue box, and was thereby engaged in a wire fraud scheme in violation of Title 18, United States Code, Section 1343, and indictment No. 36276 was returned charging him and co-defendant [redacted] with this offense. The same tape recordings also showed that [redacted] and certain other individuals were engaged in the interstate transmission of wagering information in violation of Title 18, United States Code, Section 1084. Indictments were returned against these persons as follows:

b6
b7C

Defendants | Indictment No.

b6
b7C

"The only recordings of conversations to which defendant Kaufman was a party occurred on December 20 and December 21, 1965, the first two days of monitoring. All tapes constituting evidence in the above cases resulted from monitoring during the period December 20 to December 23, 1965, and these telephone tape recordings constitute virtually all of the evidence against each defendant."

V

ARGUMENT

A. SECTION 605 DOES NOT PROTECT ILLEGAL USERS OF A COMMUNICATION FACILITY.

Title 47, United States Code, Section 605, was enacted to protect the means, and not to insure the secrecy, of communications. Benanti v. United States, 355 U.S. 96 (1957). The only Supreme Court authority on the issue of the rights of an illegal user of a communication facility is found in United States v. Sugden, 351 U.S. 916 (1956), which affirmed per curiam the Court of Appeal's decision found at 226 F. 2d 281 (9th Cir. 1955), in which the latter court had said:

> "[T]o throw a mantle of protection provided by §605 over an outlaw broadcast is to abandon reason . . . before any right of privacy exists the voice must be legally on the air; otherwise one who hears . . . may make full disclosure. . . . "

The Sugden case has been followed in Brandon v. United States, 382 F. 2d 607 (10th Cir. 1967), in which the Court said that Section 605 was adopted to protect:

> " . . . authorized users of telephonic or radio facilities; it was not intended as a refuge

for the wrongdoer who uses the telephone in a scheme to violate the wire fraud statute." (p. 611)

In the recent case of Hanna v. United States, 404 F. 2d 405 (5th Cir. 1968), the Court held that:

> "It must, therefore, be conceded that when the use of the communication facility itself is illegal, section 605 has no application, at least insofar as concerns the person guilty of such illegal uses. Whatever we might otherwise think, this Court is bound by the Sugden decision." (p. 408)

Additional weight has been added to the Sugden decision by the case of Katz v. United States, 389 U.S. 347 (1967), in which the Supreme Court stated that:

> "One who occupies it [a phone booth], shuts the door behind him, and pays the toll that permits him to place a call is surely entitled to assume that the words he utters into the mouthpiece will not be broadcast to the world," [p. 352] [emphasis added] thereby implying that a person unlawfully obtaining the use of the telephone would not be entitled to Fourth Amendment protection.

B. THE TELEPHONE COMPANY LAWFULLY MONITORED THE ILLEGALLY "PLACED" CALLS.

After becoming aware of the "printout" for November, 1965, showing that telephone number [redacted] was being used to make vast numbers of information calls of extended duration, the telephone company had strong reason to believe that someone, identity unknown, was using a "blue box" to place calls from that number.

b6
b7C

Under these circumstances, the telephone company had not only a right but a duty under several statutes to make certain that this use of its facilities was properly billed. The Communications Act imposes on every telephone company the duty to require all users of its interstate services to pay the tariff-prescribed charges on file with the Federal Communications Commission. No carrier can discriminate between its customers by extending preferential treatment to any. 47 U.S.C. §§202, 203(c). Knowingly to allow those committing electronic toll fraud to receive free service would constitute such discrimination. Furthermore, each carrier is required, under pain of criminal penalty, not to neglect or fail to maintain correct and complete records and accounts of the movements of all traffic over its facilities. 47 U.S.C. §220. Each carrier is also required to collect the federal excise tax levied upon each long distance call. 26 U.S.C. §4251. These duties were explicitly recognized by

the Court in Hanna v. United States, 404 F. 2d 405 (5th Cir. 1968).

In addition to permitting the telephone company to discharge its obligations under the law, it is also imperative in the public interest that the company be recognized to have the right to gather necessary proof of thefts of its services. As this Court stated in Bubis v. United States, 384 F. 2d 643, 648 (9th Cir. 1967): "We do not believe that in the enactment of Section 605, or in any of the provisions of Title 47, Congress intended to deprive communications systems of their fundamental right to take reasonable measures to protect themselves and their properties against the illegal acts of a trespasser." Certainly, the right to protection cannot be limited merely to self-help, but must also include the company's right to obtain protection of the law by furnishing information concerning violations to duly constituted prosecuting agencies.

When wrongdoers break into the telephone network and by use of a "blue box" seize its circuits so that calls can be illegally initiated (by circumventing its automatic billing machinery), the telephone company is faced with the formidable problem of gathering the evidence of such "fraud by wire" for purposes of billing and also for prosecution. Since the services being stolen are the communications themselves, certain of the evidence necessary to establish illegal blue box calling can only be gathered through recording. Such recording was necessary to determine: 1) the identity of the calling blue box user; 2) the location from which the calls are originating; 3) the

location of the party called (distance is a factor in billing); and 4) the duration of the completed calls (time is a factor in billing). The tape recordings were in fact used for precisely this purpose.

In Bubis v. United States, 384 F. 2d 643, 648 (9th Cir. 1967), this Court recognized the propriety of the telephone company's monitoring of calls "to an extent reasonably necessary for the company's investigation," but stated that "In our view, the monitoring and tape recording for such a length of time [3 months], after ample evidence had been secured of the illegal use by appellant of the company's facilities, was unreasonable and unnecessary."

Actually, the company had a legitimate interest in determining the identity of all persons fraudulently using its equipment, as well as the scope and duration of the fraud being perpetrated upon it. In Brandon v. United States, 382 F. 2d 607 (10th Cir. 1967), telephone company monitoring which continued for a nine month period was held lawful. The company cannot exercise its rights and fulfill its duties unless it is permitted to monitor so long as the unlawful blue box calls continue. Such monitoring could not conflict with Section 605 since that section does not insure privacy to persons stealing from the telephone company.

No matter how the Court may view monitoring for a three month period, there is no issue of monitoring for an unreasonable duration in this case because all of the recordings suppressed were of telephone calls occurring within the three days after the monitoring commenced. None of appellees were parties to calls

17.

monitored thereafter. The fact that [redacted] phone monitoring was continued thereafter gives appellees no ground for complaint since only parties to the conversations have standing to object to telephone monitoring. b6 b7C United States ex rel. Ross v. LaVallee, 341 F. 2d 823 (2d Cir. 1965); cert. den. 382 U.S. 867 (1965); see also Goldstein v. United States, 316 U.S. 114 (1942).

Even if blue box calls between [redacted] and appellees had been monitored after the first three days, for such a duration that the monitoring became "unreasonable", this would afford no basis for suppressing recordings made during the initial period of proper monitoring. This is analagous to the well established rule that evidence obtained from a defendant during a brief period of detention does not become inadmissible because of subsequent unnecessary delay in arraignment. United States v. Gorman, 355 F. 2d 151 (1st Cir. 1965); Jackson v. United States, 313 F. 2d 572 (D. C. Cir. 1965).

C. THE TAPE RECORDINGS WERE LAWFULLY DISCLOSED TO THE GOVERNMENT.

The telephone company, like any other private citizen, has the right and duty to report crimes to the appropriate federal law enforcement authority.

United States v. Sugden, 226 F. 2d 281 (9th Cir. 1955); aff'd per curiam, 351 U.S. 916 (1956), makes it plain that disclosure is not an issue when the caller is a wrongdoer who

cannot claim the protection of Section 605. Both Brandon v. United States, 382 F. 2d 607 (10th Cir. 1967), and Hanna v. United States, 404 F. 2d 405 (5th Cir. 1968), recognize the propriety of disclosure under these circumstances.

Even assuming arguendo the applicability of Section 605, the disclosure made in this case was proper. This is so because the first clause of the section provides for divulgence of communications transmitted over interstate facilities to, among others, the "proper accounting or distributing officers" and "in response to a subpoena" or "on demand of other lawful authority." With the advent of automation in recent years, the telephone companies' security representatives have taken over some functions of the operator in making certain that toll charges are properly assessed. In the situation where a blue box caller deliberately circumvents the automatic billing machinery, it becomes the function of the company's special agents conducting the investigation to obtain the necessary billing information while the call was "in progress." In these circumstances, they are not conducting an investigation after the fact, but rather are simultaneously conducting the investigation and securing necessary billing information during the actual transmission of each of the fraudulent calls. Thus, the special agents are members of the class engaged in "assisting in receiving . . . or assisting in transmitting" and are also "proper accounting or distributing officers" and as such are expressly authorized to receive and

disclose pursuant to subpoena the information obtained during transmission.

According to the stipulated facts the telephone company notified an Assistant United States Attorney that it had evidence that [redacted] telephone was being used to place "blue box" calls in violation of the federal fraud by wire statute, and that the conversations on the tapes "sounded like gambling." Neither the parties names, occupation or telephone numbers were divulged, nor was there any disclosure of the existence or contents of any particular communication. After being informed of the existence of tape recordings of these unlawful calls, the Assistant United States Attorney caused a grand jury subpoena to be served upon the telephone company, and the tape recordings were produced in response thereto. Thus even though Section 605 does not protect the illegally placed calls, in fact the disclosure requirements of that section were completely fulfilled.

b6
b7C

Additionally, when the company discovers unlawful activity such as blue box calling, it must disclose the information it possesses or subject itself to the penalties provided in Title 18, United States Code, Section 4, for misprision of a felony.

In conclusion, since the existence and contents of the communications were both lawfully obtained and lawfully divulged without any violation of Section 605, the tape recordings were not subject to suppression upon the motions of appellees, and the indictments were not properly dismissed. See Hanna v. United States, 404 F. 2d 405, 408-409 (5th Cir. 1968).

VI

CONCLUSION

For the reasons stated, the order of the District Court suppressing evidence and dismissing the indictments should be reversed.

Respectfully submitted,

WM. MATTHEW BYRNE, JR.
United States Attorney

DAVID R. NISSEN
Assistant U.S. Attorney
Chief, Special Prosecutions Division

Attorneys for Appellant.

SAC, LOS ANGELES (166-462) 5/12/70

SAC, NEWARK (166-553)

[redacted]

ET AL
ITWI

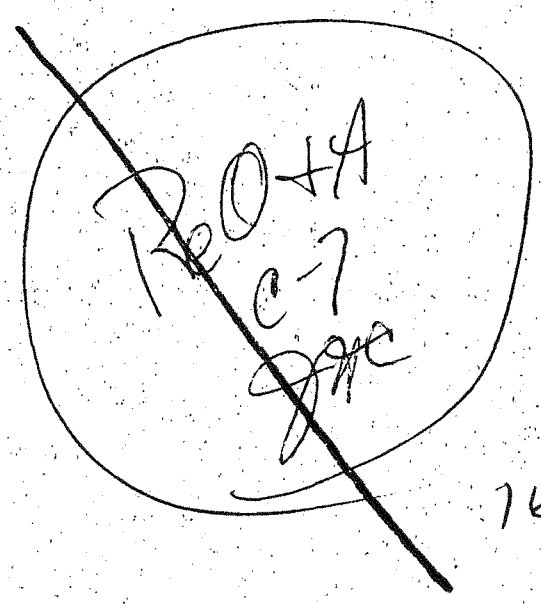
[redacted] b6 b7C

Deft.

Inquiry has been made by the Bergen County, N.J., Prosecutor's Office into the current status of the Federal indictment concerning [redacted] on a 5/25/66, wagering arrest.

It appears to Newark that the indictment concerning which the Bergen County Prosecutor's Office is interested is the one in instant case. Newark has no information subsequent to your report of 7/14/69, which reflects that the Government is appealing the dismissal of the indictment.

You are requested to advise Newark of any developments subsequent to those reflected in your report of 7/14/69.



166-553-80

2 - Los Angeles
(2) - Newark

JHC/eag
(4)

INDEXED
SERIALIZED FILED

[redacted] b6 b7C

SAC, LOS ANGELES (166-462) June 29, 1970

SAC, NEWARK (166-553)

[redacted] b6 b7C

ET AL
ITWI

Re Newark letter to Los Angeles, 5/12/70.

Los Angeles Division is requested to expedite investigation regarding this matter so that the Newark Division can bring it to a logical conclusion.

2 - Los Angeles
2 - Newark
JHB:lfm
(4)

[redacted] b6 b7C

SERIALIZED FILED

166-553-81

FD-263 (Rev. 12-19-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
LOS ANGELES	LOS ANGELES	7/8/70	7/10/69 - 6/30/70

TITLE OF CASE

[redacted]

ET AL

REPORT MADE BY [redacted] TYPED BY cjc

CHARACTER OF CASE

b6
b7C

ITWI; FBW - CONSPIRACY

REFERENCES: Los Angeles report of SA [redacted] dated 7/14/69.

- C -

ADMINISTRATIVE

It is noted the investigative period is extensive. This case has been carried in a pending inactive status, awaiting Appellate and District Court action.

ACCOMPLISHMENTS CLAIMED ☒ NONE						ACQUIT-TALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		PENDING OVER ONE YEAR ☐ YES ☒ NO PENDING PROSECUTION OVER SIX MONTHS ☐ YES ☒ NO

APPROVED [redacted] SPECIAL AGENT IN CHARGE

COPIES MADE:

See Cover Page B

DO NOT WRITE IN SPACES BELOW

166-553-82

SEARCHED INDEXED
SERIALIZED FILED
JUL 20 1970
FBI — NEWARK

[redacted]

b6
b7C

C-1

1-NK

Dissemination Record of Attached Report

Agency				
Request Recd.				
Date Fwd.				
How Fwd.				
By				

Notations

☆ GPO : 1968 O - 299-835

COVER PAGE

LA 166-462

Copies Made:

3 - Bureau (166-1765)
2 - USA, Los Angeles
(1 - Attn: Special Prosecution Unit)
(1 - Attn: Attorney in Charge,
ALFRED N. KING, Strike Force)
1 - Atlanta (166-182)(Info)
1 - Baltimore (166-447)(Info)
1 - Memphis (166-329)(Info)
1 - Miami (166-359)(Info)
1 - Newark (166-553)(Info)
1 - New Orleans (166-87)
7 - Los Angeles (166-462)
(1 - 166-607)
(1 - 166-608)
(1 - 166-609)
(1 - 166-611)
(1 - 166-612)

LEADS

ATLANTA, BALTIMORE, MEMPHIS, MIAMI, NEWARK and NEW ORLEANS (INFO)

Information copies are being sent to receiving offices, in view of their interest in subjects involved.

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 2 - USA, Los Angeles (1 - Attn: Special Prosecution Unit) (1 - Attn: Attorney in Charge, ALFRED N. KING, Strike Force)

Report of: [redacted] Office: Los Angeles, California
Date: 6/31/70

Field Office File #: 166-462 Bureau File #: 166-1765

Title: [redacted] ET AL

Character: INTERSTATE TRANSMISSION OF WAGERING INFORMATION; FBW - CONSPIRACY

Synopsis: [redacted] was sentenced for violation Title 18, Section 1084, USC, on 8/15/66, in U.S. District Court, Los Angeles. A co-defendant, HENRY E. LOMAN was acquitted. Charges against [redacted] were dropped because of a defective indictment. On 10/20/67, the 9th Circuit Court of Appeals reversed the above [redacted] conviction. On 6/3/69, USA, Los Angeles sent an Appellate Brief to the U.S. Court of Appeals requesting the order of the District Court, Los Angeles, suppressing evidence and dismissing the indictment regarding the remaining subjects be reversed. On 1/15/70, the U.S. Court of Appeals, 9th Circuit Court affirmed the judgment of the District Court with respect to the appeals of HERBERT KAUFMAN, EUGENE A. NOLAN, [redacted] THOMAS MILTON BOYD AND [redacted] On 4/27/70, USA, Los Angeles, decided no further prosecutive action would be attempted regarding these subjects.

b6
b7C

b6
b7C

- C -

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

LA 166-462

DETAILS:

On August 15, 1966, [redacted] was sentenced in United States District Court, Los Angeles, for violation of Title 18, Section 1084 of the United States Code (USC) (Interstate Transmission of Wagering Information). A co-defendant HENRY E. LOMAN was acquitted and charges against [redacted] in this particular indictment were dropped because of a defective indictment. b6 b7C

On October 20, 1967, the Ninth Circuit Court of Appeals reversed the above [redacted] conviction on the basis of excessive monitoring of [redacted] telephone calls. This same basis was applicable to subject [redacted] in the indictments concerning other subjects, therefore no further action was considered in regard to [redacted] in these cases.

Regarding the other subjects in these cases, it is the contention of the United States Attorney at Los Angeles, that very limited monitoring of calls to these other subjects occurred, therefore the basis of the above United States Court of Appeal decision, is not applicable to these subjects.

On June 3, 1969, the United States Attorney at Los Angeles, California, sent an Appellants Brief to the United States Court of Appeals of the Ninth Circuit Court, requesting that the order of the District Court suppressing evidence and dismissing the indictments be reversed in regard to subjects HERBERT KAUFMAN, EUGENE A. NOLAN, [redacted] THOMAS MILTON BOYD and [redacted]

On March 24, 1970, the San Francisco Office of the FBI advised that the records of the Clerk of the Court of the Ninth Circuit Court of Appeals were reviewed and that it was noted on January 15, 1970, the judgment of the District Court was affirmed with respect to the appeals of the above mentioned individuals. The Court affirmed the ruling citing the authority of [redacted] versus the United States Ninth Circuit Court in 1967. b6 b7C

LA 166-462

On April 27, 1970, Assistant United States Attorney DAVID R. NISSEN advised in view of the above decision of the Ninth Circuit Court of Appeals, no further prosecutive action will be attempted by the United States Attorney's Office at Los Angeles, in regard to the above individuals.

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, NEWARK (166-553) (C) DATE: 8-4-70

FROM : SA [redacted]

b6
b7C

SUBJECT: [redacted]
Et Al
ITWI

Re Los Angeles report of SA [redacted] 7/8/70.

[redacted] was sentenced for violation of Title 18, Section 1084, USC, on 8/15/66, in U.S. District Court, Los Angeles. A co-defendant, HENRY E. LOMAN, was acquitted. Charges against [redacted] were dropped because of a defective indictment. On 10/20/67, the 9th Circuit Court of Appeals reversed the above [redacted] conviction. On 6/3/69, USA, Los Angeles, sent an Appellate Brief to the U.S. Court of Appeals requesting the order of the District Court, Los Angeles, suppressing evidence and dismissing the indictment regarding the remaining subjects be reversed. On 1/15/70, the U.S. Court of Appeals, 9th Circuit Court, affirmed the judgment of the District Court with respect to the appeals of HERBERT KAUFMAN, EUGENE A. NOLAN, [redacted] THOMAS MILTON BOYD, and [redacted] On 4/27/70, USA, Los Angeles, decided no further prosecutive action would be attempted regarding these subjects.

b6
b7C

In view of the above information, this case is being closed.

JHB/pds
(1)

[redacted] Call Det. [redacted] Bergen Co. Pros. O. [redacted] (see serial 80) & tell him. He called re [redacted] Det [redacted] informed of above information. 8/10/70 JHB

b6
b7C

Clerk 8-7 DJC

SEARCHED [redacted] INDEXED [redacted]
SERIALIZED [redacted] FILED [redacted]
AUG 5 1970
WARK
[redacted]
166-553-83

5010-108

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

FD-159 (Rev. 5-23-66)

RECORD OF INFORMATION FURNISHED OTHER AGENCIES

Orally _____ (date) By Telephone 4/2/73 (date) Written Communication _____ (date)

Information concerning:

[redacted]

b6
b7C

Information furnished from File, Serial, and Page Number:

166-553-82-83

Information furnished was obtained:

- [X] during course of Bureau investigation
- [ ] from informants
- [ ] from complainants or other sources

Information furnished to:

Det. [redacted] Bergen Co. Prosecutors office.

b6
b7C

Number of items disseminated: 8

Remarks: Charges
Place of arrest
Disposition.

[redacted]

Special Agent

1-166-553

1-80-683-B

166-553-84

SEARCHED _____ INDEXED _____
SERIALIZED _____ FILED _____
APR 3 1973
FBI — NEWARK

b6
b7C